

# THE MOTLEY FOOL®

To Educate, Amuse & Enrich

## Fool's School

### Foolanthropy

The Motley Fool has raised nearly \$3 million for charity over the past decade. Our annual charity drive, now focused on financial literacy, is again under way. Here are some impressive organizations:

- Mercy Corps' Silent Disasters program notes that over the next 10 years, 1 billion young people in developing countries will compete for, at most, 300 million new jobs. Through innovative approaches incorporating financial literacy, mentoring and job-skill training, Mercy Corps is preparing the next generation with the tools they'll need to define what their economic futures will look like.

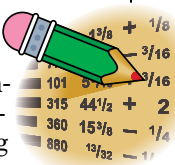
- Junior Achievement Worldwide has been inspiring and preparing young people to succeed for more than 88 years by partnering with businesses and educators to provide in-school and after-school programs bridging the gap between school and the real world. In the United States and more than 100 countries, it's synonymous with financial literacy, entrepreneurship and work-readiness education for students in grades K-12.

- Corporation for Enterprise Development (CFED) ties financial education to personal savings. Special accounts for young people provide financial instruction while teaching kids the practical discipline of saving. Savings are matched. And when young people see their account balances grow and watch peers tap the accounts for college, starting businesses and buying homes, they realize they can take control of their own lives.

- Operation Hope's Bank on Our Future program offers financial education for youth ages 9 to 18 at no cost to school districts, with a focus on urban, underserved communities. The program spans checking and savings accounts, credit, investing and dignity. Classes are taught by volunteers who deliver messages of empowerment, responsibility and hope.

- Share Our Strength's Operation Frontline program teaches low-income families how to use their limited financial resources wisely through hands-on courses in financial literacy and food budgeting.

Learn more about these organizations and how to support them at [www.foolanthropy.com](http://www.foolanthropy.com). ■



## My Dumbest Investment

### Grilled and Burned

Back in early 2005, I invested as a partner with four other individuals in a seafood cafe and grill by the beach. I didn't look into my partners' business backgrounds or their accounting books. I just trusted what one of them told me about the prospects of the business because he was an old friend, and because his business supported the cafe with tours and dinner packages every month. I lost everything!

— Mike, via e-mail

The Fool Responds: Ouch. Restaurants have long been very risky ventures. It's estimated that more than half of new restaurants fail within the first few years. As you now know, whenever you're considering going into business with someone, be sure to learn as much as you can about him, along with learning about the business's risks. Think about the person's personality, too — will you be comfortable working with him? Consider your own risks carefully, such as how tied up your money will be. Remember that while stocks carry some risk, too, you can always sell them quickly if you need or want to. ■



Do you have an embarrassing lesson learned the hard way? Boil it down to 100 words (or less) and send it to *The Motley Fool* c/o *My Dumbest Investment*. Got one that worked? Submit to *My Smartest Investment*. If we print yours, you'll win a Fool's cap!

## Last week's trivia answer

I was born in Georgia in 1979, and a year later my three stores racked up \$7 million in sales. Today I'm the world's third-largest retailer and America's second-largest retailer, with 2,207 retail stores in all 50 states, China, Mexico, Canada and more. My annual sales top \$75 billion. More than 22 million people visit one of my stores each week. My stores typically sport more than 100,000 square feet and contain about 40,000 different products. I employ about 350,000 people. I only buy wood from responsibly managed forests and not from endangered ones. Who am I? ■

(Answer: Home Depot)



Write to Us! Send questions for *Ask the Fool*, *Dumbest (or Smartest) Investments* (up to 100 words), and your *Trivia* entries to [Fool@fool.com](mailto:Fool@fool.com) or via regular mail c/o this newspaper, attn: *The Motley Fool*. Sorry, we can't provide individual financial advice.

## What Is This Thing Called The Motley Fool?

Remember Shakespeare? Remember "As You Like It"? In Elizabethan days, Fools were the only people who could get away with telling the truth to the King or Queen. The Motley Fool tells the truth about investing, and hopes you'll laugh all the way to the bank.

## Ask the Fool

### Active vs. Passive

Q What are "actively managed" mutual funds?

— M.L., Omaha, Neb.

A Actively managed funds are run by professionals who try to maximize performance by hand-picking investments. Investments in passively managed funds, on the other hand, simply mirror the components of an existing index (thus their more common name, index funds). For example, an index fund based on the Standard & Poor's 500 will hold the 500 stocks in that index, in the same proportion as the index. The irony we love to point out is that the vast majority of actively managed stock funds underperform the overall stock market — and the index funds that match it. Perhaps the biggest reason is costs, since passively managed funds don't need to employ lots of analysts just to mimic an index. Most investors are generally better off having at least some assets in index investments.

Learn more about mutual funds and index funds at [www.indexfunds.com](http://www.indexfunds.com) and research them at [www.morningstar.com](http://www.morningstar.com). Also, check out (for free) our Motley Fool Champion Funds newsletter that recommends exceptional low-fee mutual funds — it's at [www.championfunds.fool.com](http://www.championfunds.fool.com).

Q What's a money market fund?

— T.H., Knoxville, Tenn.

A It's a mutual fund that buys goodies such as Treasury bills, short-term commercial debt and certificates of deposit. It sticks to short-term, high-quality investments and is relatively safe. Money market yields vary according to short-term interest rates and typically top rates offered by standard bank accounts. But they fall dramatically short of the stock market's historical average annual return of 10 percent. They're great for short-term savings, but are ill-suited for long-term investments. Learn more about short-term savings and find good rates for your money at [www.fool.com/savings](http://www.fool.com/savings) and [www.bankrate.com](http://www.bankrate.com).

Got a question for the Fool? Send it in — see *Write to Us*. ■

## Name That Company

I got my start in 1874, making and selling corsets. Today, based in New York, I'm a leading seller of sportswear, swimwear and intimate apparel to department stores, membership clubs, discounters, specialty stores and others. Brand names under my roof include Calvin Klein, Chaps, Lejaby, Nautica, Speedo, Warner's, Olga, Catalina, Anne Cole, Lifeguard and Michael Kors. Most I own or have licensed in perpetuity. I also operate 75 Calvin Klein



underwear retail stores worldwide. Drowning in debt, I filed for bankruptcy protection in 2001, emerging in 2003. I've been growing briskly since then. Who am I?

Know the answer? Send it to us with *Foolish Trivia* on the top and you'll be entered into a drawing for a nifty prize! ■

## The Motley Fool Take

### CVS is in the Zone

CVS Caremark (NYSE: CVS) has been on a roll ever since CVS tied the knot with Caremark last year. The synergies between selling prescriptions, helping customers manage their benefits and getting a few extra items thrown in the shopping cart are looking irresistible.

The company recently posted third-quarter sales of \$20.5 billion, up 83 percent over year-ago levels. Diluted earnings per share jumped 37 percent. Over the past nine months, sales rose 71 percent and earnings per share advanced 22 percent. Investors have noticed the stellar performance, boosting the stock some 25 percent higher since

the beginning of the year. The company is adding Minute Clinics into its retail stores as fast as it can. Since last quarter, CVS has contracted an additional \$600 million in new businesses for 2008. Even the Save-On and Osco stores acquired from Albertsons last year are showing sales and profit margin improvements.

Competitors are trying to take a share of this market. Wal-Mart continues to lower prescription prices, and Walgreens is building stores like crazy. But CVS has a competitive advantage in the number and quality of "touch-points" it has with the prescription-consuming customer. As long as it can provide good service to this rapidly growing customer base, it appears unstoppable in the near term. ■

## Figuratively Speaking

BY JOHN MACINTYRE  
Special To Florida Weekly

Percentage of real bearded Santas who groom their beard up to four times a day, according to a survey of members of the Amalgamated Order of Real Bearded Santas by Auntie Anne's: 60

Percentage who own four to six red suits to stay looking sharp for the holidays: 23

Percentage of children who come to visit Santa at the mall who believe they have been good all year long: 75

Source: Auntie Anne's

Percentage of workers who regret having snubbed the office holiday party, thus missing a prime opportunity for networking, according to a Tickle test for Monster.com: 31

Percentage who regret having drank too

much at an office party: 20  
Percentage who regret showing up late: 18  
Source: Monster.com

Hourly wage of a postal clerk, according to a study conducted by SnagAJob.com and based on Department of Labor data that cataloged the wages of the highest-paid holiday workers: \$21.13

Number of cards, letters and packages processed by the U.S. Postal Service between Thanksgiving and Christmas: 20 billion

Source: SnagAJob.com

Percentage of computer users who said they routinely or sometimes have too much to do during the holiday season, according to a survey of computer users commissioned by Lexmark International: 75

When respondents were asked what

"shortcuts" they took as a result of having too much to do, percentage who said not decorating for the holidays: 36

Percentage who said they skipped a holiday party: 29

Source: Lexmark International Inc.

Approximate number of real Christmas trees that are sold in the United States every year, according to the National Christmas Tree Association Inc.: 30 million

Estimated number of acres in production for growing Christmas trees in the United States: 500,000

Year of the first written record of a decorated Christmas tree -- located in Riga, Latvia: 1510

Source: National Christmas Tree Association

Percentage of shoppers who say they will be "in and out" of the stores, according to a survey from American Express: 38

Percentage who describe themselves as

"bargain basement" shoppers: 30  
Percentage who say they are "window shoppers": 11

Percentage who say they are "procrastinators": 9

Percentage who count themselves among the "last of the big spenders": 6

Source: M Booth and Associates

Percentage of all holiday gift spending that will be done by the top 30 percent of households with the highest incomes, according to a study by the Harrison Group: 50

Percentage of all holiday gift spending that will be done by the remaining 70 percent of households: 50

Source: Harrison Group ■

## Idle Thought

"Those who dream by day are cognizant of many things which escape those who dream only by night."

— Edgar Allan Poe