

As seen in

# CRAIN'S

CHICAGO BUSINESS



**Amy G. Howes**, 44, senior portfolio manager, Wayne Hummer Asset Management Co., Chicago

**Experience:**  
17 years

**Assets under management:**  
\$1.26 billion

## MY TAKE A CONVERSATION WITH MONEY MANAGER AMY G. HOWES

### ELECTION-YEAR ANXIETY IN STORE FOR HEALTH CARE COMPANIES

**CRAIN'S:** How are you investing?

**MS. HOWES:** Normally, in a volatile market, you would add to health care and consumer staples companies, but we're scaling back in these areas. Even though we like health care long term, we see political risks to the sector from next year's elections and think that the rising cost of raw materials that go into consumer goods will eventually have to be passed on to consumers.

**Which kind of health care companies are at risk, and why?**

The risks are the possibility of universal health care coverage, cost pressures and price controls. We see the most short-term risk in large-cap pharmaceuticals, such as Eli Lilly, and managed-care

#### FIVE TO BUY

Ms. Howes recommends these stocks:

1. Celgene (CELG)
2. J. C. Penney (JCP)
3. Digital River (DRIV)
4. Noble (NE)
5. Cullen/Frost Bankers (CFR)

companies, such as UnitedHealth Group, due to their size and the government scrutiny that brings.

**You manage a portfolio of mid-cap stocks. What do you like?**

Celgene Corp. happens to be in the health care sector, but we don't think it will face political pressures. Its flagship

product is Revlimid, a treatment for multiple myeloma, a blood-related cancer. There's increasing occurrence of this disease and the duration of treatment is longer. We're looking for 30% earnings-per-share growth through 2011.

**Oil neared \$90 a barrel last week. Aside from drilling a well, how can an investor take advantage?**

We like Noble, a Houston-based offshore drilling company. There are concerns about too many rigs in the Gulf of Mexico, but the overall international market is still very strong. There's strong demand for oil from China, and globally we're just not producing enough to meet the demand. It's as simple as that.

*Daniel Rome Levine*