



February 6, 2008

Longboard Capital Advisors specializes in Clean Energy and Clean Technology investments for qualified individuals, trusts and institutions. Please call Brett Conrad, managing partner at 310.450.2151 for more information.



The General Market



What a tumultuous time for the stock market. Very few stocks have escaped the glare of fear here in the last 6 weeks as the market is in a serious correction. The best way to be in the market is to be out of the market or on the short side. Of course, the writing has been on the wall, and finally fear of a credit crunch and recession overcame hope that global prosperity would save the day. I still believe that global growth does hold the trump card, and that our woes will be temporary - although they could last up to 24 months. Different countries have faced these issues, and eventually they overcame them. The US lending infrastructure completely forgot about risk management while making loans. Lenders and borrowers got disconnected. As a result, multi-layered, complex financial arrangements with no one asking the question "what happens if real estate devalues?" have collapsed. .

In terms of the stimulus package being considered in the Senate right now, my feeling is that it is inflationary and is not the proper investment. I would like all the money spent on assets with a long term return like clean energy, transportation infrastructure and education.

Market downturns always help to get things reset, reinvigorated and more efficient. That is just the process we are now in and we are setting up for the next big bull run. If you have a portfolio of individual stocks or mutual funds, ask yourself if you had to do it all over again, would you have sold? What would you have bought? Use this opportunity to reinvigorate your portfolio. I go through this process on a weekly, monthly and yearly basis for stocks we hold in the fund.

2007 and ahead into 2008

In 2007 The Blue Earth Fund profited from a diverse range of investments. The solar industry topped the list, but we also made money in wind energy, pollution control and power saving technologies. As I look into 2008, I believe that we will start to see some pickup in fuel cells and certain biofuels. Both of these sectors have underperformed in the last two years, so if you are considering buying be extremely careful.



The first jet biofuel test flight is scheduled for late February using a Virgin

Atlantic Boeing 747-400. This is a very exciting development on the path to commercializing and creating a market for high grade clean fuels.

I believe several companies are very close to building reliable, cheap and efficient fuel cells. For the last ten years, fuel cells have failed to live up to their promise of competitively priced clean electricity. Now that everyone has nearly written them off, I can finally see some traction coming in terms of orders. For instance, FuelCell Energy (FCEL) just announced 16.2 MW of orders from the state of Connecticut. Costs are coming down, and everyone is working on keeping precious metals out of the new designs in order to really break through the cost barrier.



[Corporate Giving](#)

After having such fabulous results in 2007, we were able to give back to three organizations that match our vision: [SolarAid](#), [Thirst-Aid](#), and [Imagine1Day](#). SolarAid provides mini solar panels and lanterns to people in sub-Saharan Africa who have no electric night lighting. Thirst-Aid organizes communities to make and distribute ceramic water filters. Water borne diseases cause 30% of childhood deaths around the world. Imagine1Day is a foundation recently endowed with \$10 million dollars, and will help build primary schools in some of the poorest areas of Ethiopia.

Upcoming Public Presentations

See me June 5, 2008 when I deliver the keynote address on Clean Energy at the Northern California Investors Conference, Hyatt Regency San Francisco International Airport.

I will also be attending the Clean Tech Investor Summit in Palm Springs, CA on May 6-7 and the Roth Capital Conference in Laguna Beach, CA May 21-25.

I am looking forward to meeting up with you there. Please drop me a line anytime.

Brett Conrad
310.450.2151