



## **Supermodel Bündchen joins hedge funds in dumping dollars**

Gisele Bündchen wants to remain the world's richest model and is insisting she be paid in almost any currency but the U.S. dollar.

Like billionaire investors Warren Buffett and Bill Gross, the Brazilian supermodel is on a growing list of rich people who have concluded the currency can only depreciate because Americans led by President Bush are living beyond their means.

The dollar has fallen 34 percent since 2001, and the biggest investors and most accurate forecasters say it will weaken further as home sales fall and the Federal Reserve cuts interest rates.

The dollar plummeted to its lowest ever last week against the euro, Canadian dollar, Chinese yuan and the cheapest in 26 years against the British pound.

"We've told all of our clients that if you only had one idea, one investment, it would be to buy an investment in a non-dollar currency. That should be on the top of the list," said Gross, the chief investment officer of Pacific Investment and manager of the world's biggest bond fund.

The dollar fell 0.8 percent last week and touched \$1.4528 per euro, the weakest since the euro's debut in 1999. The dollar lost 2.8 percent last week to 93.47 Canadian cents and 1.8 percent to \$2.09 per British pound.

BNP Paribas chief currency strategist Hans-Guenter Redeker, the most accurate foreign-exchange forecaster last quarter in a Bloomberg survey, said the dollar may drop to \$1.50 per euro by year-end.

When Bündchen, 27, signed a contract in August to represent Pantene hair products for Procter & Gamble, she demanded payment in euros, according to *Veja*, Brazil's biggest weekly magazine.

She'll also get euros for the deal she reached with Dolce & Gabbana in Milan to promote the Italian designer's new fragrance, *The One*, *Veja* reported.

Bündchen earned \$33 million in the year through June, *Forbes* reported in July.

"Contracts starting now are more attractive in euros, because we don't know what will happen to the dollar," Patricia Bündchen, the model's twin sister and manager in Brazil, said in September from São Paulo. She declined to discuss details of the arrangements last week.

Berkshire Hathaway Chairman Buffett told reporters in South Korea last month that he is bearish on the U.S. currency.

"We still are negative on the dollar relative to most major currencies, so we bought stocks in companies that earn their money in other currencies," Buffett said Oct. 25.

Jim Rogers, a former partner of investor George Soros, said last month he's selling his house and all his possessions in the U.S. currency to buy China's yuan.

"The dollar is collapsing," Rogers said last week. "I'm moving to Asia because moving to Asia now is like moving to New York in 1907 or London in 1807. It's the wave of the future."

The dollar is falling as investors seek better returns outside the United States. Developing Asian nations including China and India will grow 9.8 percent this year, compared with 1.9 percent for the U.S., the International Monetary Fund said last month.

"The world has learned to live with a weak dollar," said Jay Bryson, a former Fed analyst who is a global economist at Wachovia, the fourth-largest U.S. bank. "It's not worried. It doesn't rely on the U.S. as much as it once did."

The weaker currency has cushioned the U.S. economy during the worst housing recession in 16 years. Gross domestic product grew at an annual rate of 3.9 percent in the third quarter, the most in more than a year, the Commerce Department said Oct. 31.

"As long as the dollar's decline doesn't trigger inflation, it's a good thing, helping the U.S. economy to stay out of recession," said Robert Mundell, a professor at Columbia University who won the Nobel Prize for economics in 1999.