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## Investment group buys 5.8% of GM

Acquisition of 92M shares seen as vote of confidence in firm

BY BRYCE G. HOFFMAN

General Motors Co. announced Tuesday that Capital Research Global Investors — one of the world's largest investment management firms — has acquired more than 5 percent of its shares.

In a filing with the Securities and Exchange Commission, GM said the Los Angeles-based firm now owns more than 92 million shares or 5.8 percent of the company.

Corporations are required to alert the SEC whenever one individual or organization's ownership exceeds 5 percent.

Capital Research Global Investors is part of the Capital Group Companies, a leading mutual fund manager. Analysts said its decision to expand its holdings in GM represents a vote of confidence in the Detroit automaker.

"We've got a company now that's lean and mean. The balance sheet is very different than it was three or four years ago," said David Kudla, CEO of Mainstay Capital Management LLC. "You've got a stock that was down 45 percent last year, and it certainly hasn't lost half its enterprise value.

"So we're not surprised at all when we see acquisitions like that coming through."

Kudla said GM will only get stronger, too, despite concerns about its struggling European operations.

"Europe is struggling, so everybody who does business there is struggling," he said. "(But) Chevy expanded its market share in the United States last year, and the market here is continuing to rebound. We had a deep recession and a slow recovery out of it. We have a lot of pent-up demand."

Kudla expects GM to report a profit of about \$8 billion for 2011 when it announces its earnings on Thursday.

GM had no comment on the stock news. Neither did the Capital Group, which has a policy of not commenting on its investments.

GM went bankrupt in 2009 and is still partly owned by the U.S. government. The U.S. Treasury Department owns about 26 percent of GM.

The Obama administration is under pressure to recoup that investment, but the United States would lose money if it sold GM's stock at less than \$53 a share.

Shares in GM closed up slightly Tuesday, gaining 6 cents to end the day \$25.40 a share.

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