

Investment Forum Program for Wednesday, October 4, 2006 at 11:30

Perspective: The September 2006 issue of Kiplinger's Retirement Report features an article entitled "Searching for Quality Investments." The article includes Kiplinger's definition of quality: "To get a sense of the stability of a company and the quality of its stock, look at the growth of the company's earnings and dividends. Quality stocks are shares of companies with solid balance sheets; strong, consistent growth in earnings and cash flow; and the ability to withstand a flagging economy. Most of these firms steadily raise dividends and do substantial business overseas." The article goes on to cite the Jensen Portfolio (see below) as a mutual fund that seeks such stocks. Unfortunately, the market does not always reward these qualities in a stock, especially if the stock's valuation already fully reflects its virtues.

Reality Check: What to make of the Dow Jones Industrial Average's recent flirtation with a new all-time high.

Member Presentation: A member wishes to offer a mind-game exercise based on an investment in the hope that it will prove both entertaining and informative.

Member Feedback: Citigroup (C), El Paso (EP), Medtronic (MDT), Pfizer (PFE) and 3M (MMM).

Mutual Funds: Jensen Portfolio (JENSX) and Vanguard Global Equity (VHGEX)

Stock Talk: Wm. Wrigley (WWY)