

Investment Forum Program for Wednesday, November 1 at 11:30

Perspective: The October 23 issue of U.S. News & World Report offers some advice to individual investors; prepare for an economic slowdown. Many on Wall Street think the economy is settling in for a landing, not getting ready to take off. The article offers several useful strategic suggestions for a portfolio in tune with a slowing economy. Unfortunately, some of them are already well factored into stock prices. The article contains some informative insights, but may be arriving too late to fully benefit investors who haven't already positioned themselves for change. Financial markets are all about anticipation, especially early anticipation. (In the interest of full disclosure, the belief in a looming slow-down is far from universal on Wall Street. There are also fears of inflation and more interest rate increases by the Fed.)

Strategies: Why not the best? In its November issue, Kiplinger's dares to name the best of everything; best U.S. stock fund, best international stock fund, best exchange-traded fund, best individual stock, and best stock investment strategy. Why settle for less than the best? Also, Paul Lim writing in Sunday's New York Times makes a powerful case for investing in index funds.

Follow Up: A recent forum program listed four exchange-traded dividend index funds. However, the sector has been rapidly proliferating. A more complete listing would include FDL, DVY, PFM, PHJ, PEY, PID, SDY, VIG, DTN, and DOO. DVY is the "grand-daddy" of this sector and it has performed admirably since its inception two years ago. Also, Citigroup (C) as seen from a different perspective; broad in its reach but spread too thin. However, its parts may be worth more than the whole. Merrill Lynch downgraded GlaxoSmithKline (GSK) from Buy to Neutral on news of a delay in the development of potential new blockbuster drug. Wrigley (WWY) jumped on news of a new CEO and favorable earnings.

Mutual Funds: Mairs & Power Growth Fund (MPGFX) and Mairs & Power Balanced Fund (MAPOX)

Stock Talk: When the prospect of an economic slow-down is contemplated, one of the first safe-haven sectors that come to mind is healthcare. The October 16 issue of Barron's carried a feature article extolling the virtues of Johnson & Johnson (JNJ).