

Investment Forum Program for Wednesday, November 8, 2006

Mark Your Calendar

This is the final session of the forum for the OLLI Fall Semester. After this meeting, the forum will meet on an irregular basis at 10:00. Dates for future forum meetings will be November 29, December 6 and 13, and January 3, 10, and 17.

Perspective: Let's close the semester on an optimistic note, namely Kiplinger's perspective on why the U.S. economy still has sustainable strength and durability, despite the current slowdown. They acknowledge potential unknowns that could hinder the economy, but cite numerous positives that are likely to sustain slower, but steady, economic growth.

Strategies: However, before we get carried away with excessive optimism, let's also consider the argument that the U.S. economy is potentially heading into a prolonged period of slower growth based on decreases in the supply and productivity of labor as described in a recent edition of *The Economist*. Should this turn of fortune against the U.S. economy be realized, it will provide added impetus for investing a portion of individual portfolios outside the U.S. in search of faster growth. To close this topic, several diverse options for investing abroad will be presented.

Stock Talk: One of the most widely extolled safe-haven stocks is Johnson & Johnson (JNJ). (Contrarians beware of excessive popularity, especially after Kiplinger's dared to name it the very best stock to hold for the long term.) And, for those who believe that the potential benefits of foreign earnings are worth the added risks, Avon Products (AVP) is stock to consider. Two-thirds of Avon's sales come from outside the U.S. and half its sales and earnings come from emerging markets. Because of this, Dodge & Cox includes it in the portfolio of their International Fund (DODFX).

Semester Wrap-Up: On his Sunday morning political talk show, Chris Mathews always closes the discussion with a segment he labels "Tell Me Something I Don't Know." For the purposes of the forum, let's use the plural; tell us something we don't know. Please come prepared to mention a topic that's on your mind: An investment that appears attractive or one to avoid. A positive experience you wish to share, or an admonition regarding something others should be watchful for, or an opinion you wish to express. It's feedback time.