

## Investment Forum Program for Wednesday, April 13 at 11:30

**Perspective:** Members of the forum tend to strongly favor stock ownership. These sentiments are based on a combination of retrospective experiences and prospective expectations. However, as we age, it is important to factor in appropriate timeframes for future expectations. If we do so based on the longtime historic behavior of stocks versus bonds, it may lead us to place more emphasis on bonds in portfolios.

**Taxes:** This would seem to be an appropriate time for the forum to discuss income taxes. An article in the April 9 issue of *U.S. News & World Report* describes why the current political climate in Washington favors tax increases. The article can be read in its entirety on the forum website at [www.olligmu.org/~finforum/](http://www.olligmu.org/~finforum/).

### **Mutual Funds:**

- We may be collectively guilty of letting John Bogle get “inside our heads” when it comes to considering the merits of broad index funds. Without doubt, the S&P 500 index fund has its virtues. But, one only has to briefly view the Vanguard website to quickly ascertain that no less than five of Vanguard’s premier large-capitalization managed funds have outperformed the S&P index over the past five years and ten years. Sometimes it pays to keep an open mind and do our own thinking.
- The Loomis Sayles Bond Fund (LBFAX) was the subject of a lengthy article in the April 3 issue of *The Wall Street Journal*. It is a rare bond fund where returns have outpaced inflation over the past decade. (Caveat; there are several Loomis Sayles bond funds and the Journal article did not specifically identify which one was the topic of the article that was written around the persona of the fund’s notable senior manager.)
- The T. Rowe Price Equity Income Fund (PRFDX) is the subject of a feature article in the current issue of *SmartMoney*. The fund has experienced only two down years since 1985 and has averaged annual returns of 10% over the past ten years. Not flashy but steady over the long run, and it pays a little cash along the way.
- The current issue of *Barron’s* expresses optimism regarding large-capitalization oil and oil service stocks. Should this favorable outlook be realized, it could reward shareholders of the broad capitalization-weighted energy sector exchange-traded funds, XLE and IYE.

**Stock Talk:** If Sam Zell is willing to pay 17 times earnings for Tribune Co., would you be willing to pay 12 times earnings for depressed Gannett (GCI) with its attractive collection of NBC TV stations and its online business, in addition to its portfolio of U.S. and U.K. newspapers?