

Investment Forum Program for Wednesday, July 18 at 10:00

Future Meeting Schedule

During the interim period between the end of the OLLI Summer Program and the beginning of the Fall Program, the forum will meet at 10:00 on the following dates: August 15, 22, and 29, and September 12.

Perspective: *Morningstar* recently held an annual conference for professional investors. The primary theme that emerged was the difficulty both professional and individual investors are experiencing finding investments worth buying in the current market. However, that does not trouble Fadel Gheit, oil analyst at Oppenheimer & Company. Interviewed on the PBS *Nightly Business Report* on July 12, he said in regard to oil stocks “I do believe investors should take any pullback as a buying opportunity because the long-term view for oil is very positive.” However, this bullish sentiment is tempered by an article entitled “Exxon’s \$1 Trillion Hurdle” in the July 14 issue of *The Wall Street Journal*.

Reality Check: Rising oil prices and Federal Reserve concern with inflation brings to mind hard assets as inflation hedges. In today’s investment world, individual investors are offered many such choices. Here is a random sampling of performance over the past 12 months: streetTRACKS Gold Shares (GLD) +0.7%; Central Fund of Canada (CEF) +1.4%; United States Oil Fund (USO) -24.2%; Oppenheimer Commodity Strategy Total Return (QRAAX) -12.2%, Pimco Commodity Real Return Strategy (PCRAX) -1.1%; DWS Global Commodities (GCS) +25.9%; Vanguard Precious Metals and Mining (VGPMX) +39.8%. An article entitled “How Hot Investments Burn the Little Guy” in the July 14 issue of *The Wall Street Journal* provides further insight. Never invest in something you don’t fully understand.

Mutual Funds: The Vanguard Dividend Growth Fund (VDIGX) was founded as a utility sector fund. About four years ago, it began a transition to a diversified dividend-focused fund. In February 2006, it was placed under an experienced manager who receives praise from *Morningstar* and *Kiplinger’s*. As a measure of the transition from its origin, the fund now has less than 1% of its portfolio in utilities. This echoes cautionary comments on utility stocks. The stock selection focus is on future dividend growth, which is a function of both a company’s anticipated financial performance and the willingness of management to share the wealth.

Stock Talk: American International Group (AIG), Bank of America (BAC), General Electric (GE) and Walgreen (WAG)

Developing Story: The forum’s chief analyst is currently on sabbatical conducting ambitious scrutiny of “lazy portfolios.”