

## Investment Forum Program for **Thursday, December 13 at 10:00**

### Future Meeting Schedule

The next meeting of the forum will be on **Thursday, January 10 at 10:00**.

**Perspective:** Most investors are familiar with the expression “the trend is your friend.” Well, it’s more than a cliché. There is something fundamental to the phenomenon of momentum. However, it’s very hard to quantify and equally difficult to apply. A timely example might be found in utility stocks. Over the past five years, the Utilities Sector SPDR exchange-traded fund (XLU) has tripled and continues to steadily rise in a trouble market. The current issue of *Barron’s* provides some insight on momentum in an article entitled “Major Trends Just Keep Going and Going...”. A handout synopsizing the article will be available.

**Strategies:** Two recent articles provide quantitative historical data on the benefits of high dividend yields and dividend growth over time. Exchange-traded funds offer opportunities to easily own stocks with these characteristics. However, some such funds have performed poorly of late, probably because they tend to be heavily invested in bank stocks. Have historic fundamentals changed or is it a matter of unfortunate short-term events?

**Stock Talk:** JPMorgan Chase (JPM) has avoided the worst of the banking crisis—so far. It carries a moderate P/E valuation, is in great shape financially, it is lead by a strong management team, and is well positioned to profit from the folly of others.

**Mutual Funds:** The December 3 issue of *The Wall Street Journal* carried an article entitled “Winning Funds Share Traits, But the Trick Is Finding Them.” It offers useful advice on mutual fund selection based on more than chasing past returns. A handout synopsizing the article will be available.

[The remainder of this week’s program remains a work in progress. Tom has had a busy weekend.]