

Investment Forum Program for Wednesday, May 14 at 11:30

Meeting Schedule Change

This is the final meeting of the OLLI Spring Program. Starting next week, the forum will begin meeting at **10:00 AM**.

Perspective: The economy is slowing and stock prices have fallen, but are the economy in a recession and the stock market in a bear market? Public opinion and the opinions of such financial luminaries as Warren Buffett and George Soros come down on the side of a recession and a bear market being underway. The presidential candidates paint a dim view of the economy and promise better times ahead if elected. However, writing on *MarketWatch.com* on May 9, Howard Gold who is executive editor of *MoneyShow.com* examines the available data and concludes that the numbers do not support the criteria for such a dire outlook—yet. And, many other observers provide information to support a hopeful outlook, such as insider stock purchases and historically large amounts of cash held by corporations, institutions, hedge funds and individual investors.

Strategies: During last week's session, disparaging comments were made about "mediocrity." Well, the forum has always strived to rise above mediocrity (with varying measures of success). For those who wish to excel in their investment performance, three funds merit consideration: CGM Focus Fund (CGMFX), Pimco CommodityRealReturnStrategy (PCRDY) and T. Rowe Price New Era (PRNEX).

Mutual Funds: Online columnist Paul Farrell (www.marketwatch.com) recently provided another quarterly update on what he terms "lazy portfolios," consisting of passive investing in a short list of index funds. He follows eight such portfolios and reports that each one has outperformed the Standard & Poor's 500 Index for one-year, three-year and five-year total returns. Even for those who do not wish to follow this style of investing, the principles upon which the methodology is based provide a valuable guide for individual investors. Farrell's column can be read on the forum's website.

Stock Talk: If you have confidence that the global economy will weather the current storm and continue to flourish, there is a short list of economically-sensitive industrial stocks that merit consideration: Deere (DE), Eaton (ETN), Emerson Electric (EMR), General Electric (GE), Illinois Tool Works (ITW) and 3M (MMM). For fearless bottom-fishers, many offerings in the financial sector beckon and can be purchased en masse via ETFs.

On the Website: Reading material on new topics is posted regularly at www.olligmu.org/~finforum/.