

## Investment Forum Program for Wednesday, May 28 at 10:00

### Be Forewarned

The forum has a room reserved for each Wednesday in June, but on June 11 and June 18 the regular moderator will not be in attendance. Please plan accordingly. Volunteers will be accepted.

**Perspective:** The June 2 issue of *Forbes* carries a feature article entitled “The Big Picture.” The subtitle reads “Don’t let fads, fears and hot products distract you from the two most important things about constructing a portfolio: having a reasonable allocation of your assets and keeping your costs down.”

**Markets:** It has been mentioned on several occasions in recent months that corporate insiders are, on balance, displaying very bullish behavior in their stock trading. The June 2 issue of *Forbes* carries an article exploring this complex subject in some detail. In a world where there is an exchange-traded fund for any and all subsectors, there is one that follows the buy/sell behavior of insiders, the Claymore/Sabrient Insider ETF (NFO).

**Guru Watch:** In his June *Investment Outlook* report, Pimco bond manager Bill Gross ([www.pimco.com](http://www.pimco.com)) has a lot to say about inflation. His bottom line regarding investment strategy is as follows: Among fixed income investments he favors Fannie Mae and Freddie Mac bonds. Conversely, he strongly advises avoiding U.S. Treasury securities, including TIPS. However, he strongly recommends emerging-market foreign stocks (BRICs) and commodity-based assets. He likes assets denominated in strong foreign currencies.

**Commodities:** On May 21, *The Wall Street Journal* reported “While politicians urge crude-oil producers to increase output to cool off record high prices, traders of physical crude say their market is suffering from too much supply, not too little.” On the same date, *BusinessWeek Online* carried an article entitled “Are Pension Funds Fueling High Oil?” Finally, the June 2 issue of *Forbes* features an article which carries the following subtitle: “National governments are hogging 70% of the world’s most accessible petroleum. You can get a piece of the action by buying shares of quasi-public companies like Petrobras (PZE) and Statoil (STO).”

**Strategies:** The time to invest in a sector is when it’s out of favor and before everyone wants to squeeze in through the same doorway at the same time. So, what out-of-favor sectors should we be watching now, so that in five years we’ll be glad we got in early?

**On the Website:** Reading material on new topics is posted regularly at [www.olligmu.org/~finforum/](http://www.olligmu.org/~finforum/).