

**OLLI@GMU Investment Forum Program for
Wednesday, September 17 at 11:30**

Welcome to New Members

A welcome will be extended to new members along with a brief introduction to the forum.

Anecdotal: Members of the forum represent a dying breed. The portion of stock ownership held by individual retail investors is rapidly shrinking. Retail investors now own only one-quarter of the shares of the top 1,000 U.S. companies. Institutional investors own the majority of shares.

Reality Check: In past months, financial publications have featured numerous articles recommending the virtues of preferred stocks as income investments (usually in the form of mutual funds). However, recent events should be a reminder to the unwary that preferred stocks are still *stocks*. On the other hand, *Barron's* asserts that the current situation has created "what may be the most attractive prices in the history of the [preferred] market."

As the World Turns: One of the greatest threats to the financial well-being of retirees is inflation. As consumers, many of us are a bit traumatized by recent rapid rises in the prices of basic necessities. Yet economists are again talking about *deflation* and interest rate *cuts*!

Perspectives on the Current Market:

- *Washington Post* columnist Steven Pearlstein questions whether ongoing events are an "overdue correction or a global panic?"
- *The New York Times* advises individual investors to "resolve to be brave (and well diversified)."
- *Forbes* columnist Laszlo Birinyi sees few long-term opportunities in the current market, but reminds us of the strategy that has made Warren Buffett successful: "He buys *stocks*. He doesn't buy sectors; he doesn't buy stories; he doesn't buy scenarios." Birinyi finds virtue in oil as a long-term investment. His chosen vehicle is Exxon Mobil.
- Local newsletter editor Ingrid Hendershot reminds us of Sir John Templeton's wisdom: "Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die in euphoria." Ms. Hendershot currently finds virtue in Cisco (CSCO), Genuine Parts (GPC) and Walgreen (WAG).
- Finally, the current issue of *Barron's* devotes a special report on retirement to the subject of "Bullet-Proof Your Portfolio."

On the Website: New articles which may be of interest to retired investors are posted regularly at www.olligmu.org/~finforum/.