

Investment Forum Program for Wednesday, March 25 at 11:30

Welcome to New Members

This is the first meeting of the forum for the OLLI Spring Program.

Perspective: Most members of our generation have lived their adult lives firm in the belief that the lessons learned from the Great Depression would instruct the nation in how to avoid repeating the experience. However, recent events have called that notion into question.

Member Contributions: Several members have thoughts on various topics that they wish to share with the group.

Investing for Income: This is a difficult time for investors who rely on dividend income. The stigma of cutting dividends has faded and many companies are doing so in an attempt to conserve cash. If there is any comfort to offer, there have been companies that cut dividends and went on to renewed prosperity. FPL provides an example. With this new uncertainty in mind, *SmartMoney* and *Barron's* have each assembled a list of stocks that appear attractive on the basis of earnings, with the supposition that strong earnings support reliable dividends.

Fallen Angels: One by one, *Kiplinger's* has been reporting on mutual fund families with long records of superior performance that have failed to deliver during this bear market (CGM, Dodge & Cox, Legg Mason, Third Avenue). The latest to receive such unwanted attention is the American funds family. Their bond funds did especially poorly.

Anecdotal: Hedge fund manager John Paulson made \$10B in 2007 betting against subprime mortgages. He recently invested \$1.3B in the gold mining company AngloGold Ashanti.

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