

## Investment Forum Program for Wednesday, April 22 at 11:30

**Perspective:** Enough dust has settled on financial market events of the past 18 months that soul searching by investors has begun. *The Motley Fool* writes “If the past few months haven’t caused you to question your entire approach to investing, then you haven’t been paying attention.” *Morningstar* has begun an ongoing process of reflecting on lessons learned: (1) Any illusion of the inherent sturdiness of value funds has been extinguished, (2) for bond funds, expenses are an even more important factor than was previously appreciated, (3) risk management is overrated, and (4) mutual funds were ill-equipped to deal with the onslaught of redemptions that created liquidity problems. Finally, *The Economist* reports that the rich have become disillusioned with the people they hired to guard their fortunes and many are moving their money about in search of better management.

**Strategies:** *Money* magazine advises “Not since the Great Depression has there been such a tsunami of government stimulus. Make sure your portfolio gets lifted by this tide.” Having grabbed the attention of readers with this heading, the writers go on to offer suggestions, including some that may be counterintuitive to the conventional wisdom. And, the current issue of *Barron’s* makes the point that reflation is being attempted by governments across the globe which will eventually lead to stronger commodity prices.

**Stock Talk:** American Express (AXP) and Philip Morris International (PM)

**Ahead of the Curve:** New energy technologies are all the rage these days. Which are practical and which represent wishful thinking? In a recent article, *The Washington Post* observed that soy-based biodiesel requires 300 times as much land area to produce a given amount of energy as do nuclear power plants. This is a measure of *energy density*, a parameter that will gain significance as alternative energy becomes a serious topic in public policy discussions. Separately, University of Minnesota researchers estimate that it takes 1,000 gallons of water to produce one gallon of corn ethanol. Also, the current issue of *Fortune* magazine has a great deal to say about electric cars. Building cars is a highly developed technology. Building advanced technology batteries for mass-produced electric cars remains a formidable challenge and the U.S. lags in global competition for the race to market.