

## Investment Forum Program for Wednesday, March 6 at 10:30

### In Memoriam

*The Washington Post* reports that Marvin Bleiberg passed away on February 1. Marvin was a member of the Forum for several years. In his professional life, he was a chemist with the FDA. True to his profession, Marvin's favorite stock was Sigma-Aldrich (SIAL), a specialty chemical manufacturer and a sound investment.

**Perspective:** Investors have much to think about these days. The Fed has officially declared that fixed-income markets are not in a "bubble," but interest rates on bonds remain historically low with seemingly nowhere to go but up—someday. There is talk of stock prices approaching "all-time highs," but on an inflation-adjusted basis broad indexes have far to go to reach such levels. Even so, few stocks seem cheap. Our national elected leaders lurch from one "crisis" to the next, leaving investors uncertain if a political miscalculation could, in fact, precipitate a real crisis. Looking forward, an experienced hedge fund manager has written a cautionary op-ed article in *The Wall Street Journal* entitled "When Interest Rates Rise, Watch Out." The author opines that "Investors beware: the unwind is going to be bumpy." And, no one in a position to affect national economic policy seems to be concerned with the looming burden of public debt service in an era of steadily expanding debt and higher interest rates. But, the investment community is not without optimism. *Kiplinger's* forecasts that U.S. GDP growth may soon rise from the 2% range to the 3% range. A recent issue of *BusinessWeek* carried a feature article on the resurgence of the housing market led by recovery in some of the most hard-hit markets. If sustained, both of these trends should benefit employment. And, a recent distinguished guest on Bloomberg TV's *Taking Stock* expressed great optimism for a new economic era taking shape in the U.S. based on a resurgence of manufacturing fueled by abundant cheap energy. Already European manufacturers are building new plants in the U.S. where energy costs are a fraction of those across the Atlantic. Meanwhile, much of Europe remains economically mired with little promise of a better future, especially so among countries that continue to hemorrhage their best-and-brightest to emigration. Finally, China continues to exert a disproportionate influence on the global economy. The Chinese economy has slowed, but remains robust in comparison with the industrialized world. The Chinese economy is beset with numerous serious concerns, and the accuracy and reliability of economic data released by the Chinese government remain under suspicion.

**Follow-Up:** Two weeks ago, the Forum heard a presentation on Vodafone (VOD). The February 22 issue of *The Wall Street Journal* published an interview with the CEO of Vodafone. He was very coy and non-committal but did not rule out a possible deal that would result in Verizon acquiring full ownership of jointly-owned Verizon Wireless. However, such a transaction could leave Verizon deeply in debt. Also, CEOs of the major European wireless telecoms, including Vodafone, are imploring regulators to help create a continent-wide market that is receptive to industry consolidation and adoption of compatible technologies. The European telecom market spans 27 countries, is highly fragmented and intensely competitive.

**Member Discussion:** Tom will offer brief comments on Sigma-Aldrich (SIAL). John would like to promote a discussion on stock investing in countries where you don't want to drink the water. Sy will offer a presentation on AOL.

***Recent Member Buys and Sells:***

Buys:

Apple (AAPL)  
Arch Coal (ACI)  
Axiall Corporation (AXLL)  
CVS Caremark (CVS)  
Gilead Sciences (GILD)  
Harvard Bioscience (HBIO)  
Mark West Energy (MWE)  
Mosaic (MOS)  
Vodafone (VOD)  
Williams Partners LP (WPZ)

Sells:

Fusion-io Inc. (FIO)  
Nokia (NOK)  
Vale SA (VALE)  
Western Alliance Bankcorp (WAL) (2 preferred stocks)

Pondering:

Baron Real Estate Retail (BREFX)  
Paychex (PAYX)  
SPDR Barclays High Yield Bond ETF (JNK)  
Engaging in asset reallocation