

Investment Forum Program for **Thursday, March 15 at 10:00**

Meeting Schedule

Starting next week, the meeting day will return to Wednesday at 10:00.

Perspective: If individual investors feel a sense of confusion at times, it should be understandable. The cover headline in last week's Barron's read "Stick with the Bull." This week's headline reads "Trouble Ahead." Perusing the current issue of *BusinessWeek*, on page 42 the subtitle reads "If productivity growth keeps sliding, a widespread crisis could be next." On page 108 the headline reads "A Resilient World Economy." This illustrates why investors need better strategies than reacting to the latest headlines.

Member Presentation: Asset allocation

Guru Watch: On February 28, *Kiplinger.com* published an interview with Ken Heebner, manager of the CGM Focus Fund (CGMFX). Under Heebner, from 1999 through this year, the Focus Fund has returned an annualized 25% to shareholders. Prominent among Heebner's expressed opinions are the following: (1) the subprime mortgage disaster is much bigger than anyone can imagine. It will restrain further interest rate increases by the Federal Reserve, and thus extend the current bull market. (2) Heebner's biggest play is in investment banks, Lehman Brothers (LEH), Merrill Lynch (MER), Bear Stearns (BSC), Morgan Stanley (MS) and Goldman Sachs (GS). Private equity and hedge funds are filling their coffers like never before. (3) The ethanol boom will give farmers "money to burn" and they will spend a significant portion of it buying equipment manufactured by Deere & Company (DE). (4) Las Vegas Sands (LVS) has spread beyond its geographical roots and, especially so, into Macau. The Chinese are renowned for their love of gambling and Macau is China's Las Vegas.

Stock Talk: Constellation Energy (CEG) and Dominion Resources (D)

On the Website: The March 5 issue of *Fortune* carries an interview with investment strategist Jason Trennert entitled "He Sees a Boom for Large Caps." Trennert asserts that after years of sluggish performance (actually worse than stock market performance during the Great Depression) large cap stocks are ready to rise. He particularly favors energy, health care and technology. But, don't place a buy order just yet. On March 5, *Forbes.com* carried an article by Martin Sosnoff entitled "The Mega-Cap Burnout" in which he opined "Parsing the top 25 names in the S&P 500 leaves me cold. The bullish scenario just may be wishful thinking." Finally, on March 9, Vince Farrell was interviewed on the PBS *Nightly Business Report*. In a transcript of the interview Farrell provides a short list of large-cap stocks he likes and provides the rationale for each. All three articles can be read in their entirety at www.olligmu.org/~finforum.