

## Investment Forum Program for Wednesday, May 2 at 11:30

**Perspective:** Perennial wallflowers such as 3M (MMM), General Electric (GE), IBM (IBM), Kimberly-Clark (KMB), Microsoft (MSFT) and Procter & Gamble (PG) are beginning to receive favorable commentary on Wall Street. There are a couple of prominent reasons for this turn of events; stock buy-backs are significantly reducing the market float and strong foreign sales in the face of a weak dollar are both benefiting reported earnings per share for these big-cap multinationals. But, our ever-vigilant friends at *Barron's* warn us that this pair of favorable trends will not continue forever. Sooner rather than later, the market will be deluged with a "mountain of new equity" offered by private-equity buyout firms unloading what they are now so ravenously taking off the market. And, the dollar will not decline forever. In fact, it may eventually over-react on the downside and snap back at some point in the not-too-distant future.

**Member Presentation:** Are you mulling the possibility of selling a mutual fund at a profit, paying taxes on the capital gain, and reinvesting the net proceeds? That's a complex transaction to analyze. At first glance, the only obvious winner will be the United States Treasury. However, done right, it may release low-yielding capital and allow it to earn more generous returns elsewhere. Well, one member of the forum has developed a methodology to quantify your decision making process.

**Mutual Funds:** Several members have expressed an interest in a discussion of tax-exempt bond funds. Selecting such funds is a process of making trade-offs. Two examples will be presented as a basis for comparisons: the T. Rowe Price Virginia Tax-Free Fund (PRVAX) and the Vanguard Intermediate-Term Tax-Exempt Fund (VWITX).

**Stock Talk:** An unnamed stock which consistently generates good numbers, but has a bad reputation will be discussed. (No, it's not Altria.) Also, if you believe that all those megawatts our society is going to need in the years ahead cannot be generated without finding some viable way to utilize the country's massive coal reserves, then you might wish to begin an acquaintanceship with Peabody Energy (BTU).

**On the Website:** Links to new articles are posted weekly at:  
[www.olligmu.org/~finforum/](http://www.olligmu.org/~finforum/)