

Investment Forum Program for Wednesday, July 25 at 10:00

Future Meeting Schedule

This is the final meeting of the forum for the Summer Program. OLLI will be closed for the next two weeks for a summer break. After OLLI reopens, the forum will meet at 10:00 on the following dates: August 15, 22, and 29, and September 12.

Perspective: Short-term market timing is unproductive because day-to-day market activity is absolutely unpredictable, as shown by recent example. On July 12, the DJIA rose nearly 300 points. Before the market opened that day, there was little hint of such an event about to occur. So far this year through mid-July, investors in the S&P 500 Index were ahead by about 10.5%. But, most of that gain was made in just a few trading days. If an investor had missed the 10 best trading days of 2007, the result would be 0.3% loss. On the other hand, with the benefit of hindsight, if an investor missed the worst 10 days of this year, their return would have been a 30% gain. Fortunately, on a historic basis, the market has far more up days than down.

Follow-Up: On July 18, two stories appeared in the media which related to last week's discussion topics. *The Wall Street Journal* published an article examining Walgreen (WAG). Is it still one of the great growth stocks of U.S. history or has it become a has-been like Home Depot and Wal-Mart? There are reasoned opinions on both sides of the question. Separately, *The Motley Fool* posted an online article arguing that dividend-growth stocks are better long-term investments than gold. Finally, last week mention was made of the virtues of total return and dividend growth. Each week, *Value Line* publishes its lists of stocks which are anticipated to offer the greatest 3-to-5-year potential in each category. Handouts on each of these topics will be provided.

Sectors: Infrastructure is gaining a great deal of investor attention. The projected global demand for many years to come is voracious. Investors in today's markets are offered a choice of owning or building infrastructure. Ownership has gained great popularity in recent years, especially among pension funds and endowments, pushing up asset prices. *Morningstar* recently highlighted several global stocks that are considered to be especially well positioned in the infrastructure construction business, General Electric (GE) and Siemens (SI) notable among them. Siemens trades on the NYSE as an ADR, is followed by *Morningstar* and is known on Wall Street as "Europe's GE," but with one important distinction—Siemens stock has far outperformed GE on a 1-year, 5-year and 10-year basis.

Stock Talk: On July 20, *BusinessWeek Online* posted an article entitled "How to Find Value in the Surging Dow," which argued that nearly a third of the 30 stocks in the Dow Jones Industrial Average remain undervalued. The article may be read on the forum website at www.olligmu.org/~finforum/.