

Investment Forum Program for Wednesday, August 15 at 10:00

Future Meeting Schedule

The forum will meet at 10:00 on the following dates: August 22, and 29, and September 12.

Perspective: We live in interesting times. Warren Buffett is credited with coining the phrase “You don’t know who is swimming naked until the tide goes out.” And, the tide is indeed going out. This produces a babble of conflicting opinion and advice to investors. Perhaps one of the more judicious public statements was made by Mike Holland appearing on the PBS *Nightly Business Report* on July 24. Among his comments was the following: “Anyone who’s been in this business for a long time should have some humility about guessing what the future holds. Previous declines in this bull market have been sharp and short. My advice to individual investors is to use these declines to put a little money into the market. Buy a diversified basket of stocks, such as an index fund.” Meanwhile, a more apocalyptic viewpoint was offered by Steven Pearlstein writing in *The Washington Post* on August 1: “It’s hard to know whether the people peddling optimistic blather are trying to delude themselves or us. Either way, it’s dangerously wrongheaded.” Finally, amid all the gloom, *Barron’s* manages to find a bullish optimist.

Follow the Money: In recent years, U.S. mutual fund investors have put the bulk of their money into foreign stocks. However, foreigners have been jumping at the chance to buy U.S. securities. The August 6 edition of *BusinessWeek* reports that record amounts of foreign capital have recently been invested in U.S. stocks and bonds, more than enough to cover the trade deficit and sufficient to finance the entire federal budget deficit.

Information Overload: American International Group (AIG) provides an excellent example.

When Less is More: In praise of focused funds with small portfolios. Some successful fund managers intentionally hold concentrated portfolios, starting with Berkshire Hathaway.

Stock Talk: The past week has seen forced liquidation of quality stocks by distressed hedge funds which had no choice but to sell whatever is marketable. In some instances, difficult circumstances are forcing money managers to sell stocks on which they feel bullish. Overall, the S&P 500 stocks are selling near their historical average valuation. Selected banks and oils are looking especially cheap—if current credit market distress does not lead to a significant global economic slowdown. If there is sustained widespread economic distress, companies with lots of cash are well positioned to endure and even benefit.

Website: If you have not already seen it, check out www.wsjmarkets.com. It’s a recent addition to the forum website at www.olligmu.org/~finforum/.

Attachment: Check out the attachment below from the Widowed Persons Service of Northern Virginia regarding a forthcoming course on Basic Investing by Shirley Smith.

Widowed Persons Service of Northern Virginia

Softening your journey through widowhood

**You Are Invited: Monday, September 10, 2007—10:30 AM
Open House at the new Mason-Loudoun Campus
21641 RIDGETOP CIRCLE, STERLING, VA.**

Dear Fellow Members of the Widowed Persons Service of Northern Virginia:

I'm a member of two organizations that together have enhanced my life: one is the Widowed Persons Service of Northern Virginia and the other is OLLI (Osher Lifelong Learning Institute at George Mason University) of which I am president. Each has in its way strengthened my support system. You know the advantages of our social gatherings with others who have lost loved ones; for further satisfaction, I recommend OLLI to everyone who is retired or has time during the day to enjoy classes in college level subjects without having to take tests, write papers or be concerned about grades.

WPS's founder, Audrey Markham Sullivan, was also one of the geniuses behind the founding of OLLI in 1991. The campus at Tallwood in Fairfax, where this whole thing started, now supports a student body numbering 750 members and classes during four terms with a total of over 250 to choose from during the year. I'm delighted to say that I've bumped into many WPS members on our campus through the past few years.

The good news for Loudoun County folks is that we are currently expanding our program to include classes on the Mason campus in Sterling. We are very excited about our fall program there that will include eight weeks of two classes per day, Monday through Thursday. At \$50 per class or \$125 for unlimited access to the entire program, you can't go wrong. Skill classes include computer, investing, watercolor painting and a writer's workshop. Academic classes in the arts of Loudoun County, Iraq, music, history, current events, senior health and entertainment round out the schedule.

We've planned an **Open House on Monday, September 10th at 10:30 a.m., 21641 Ridgetop Circle in Sterling**. I hope you will be able to attend and learn more about what we do. You could also check our website at www.olligmu.edu or contact Audrey at 703-281-9595 or am10711@aol.com.

From a personal point of view, I must say that as someone who lost my loved one several years ago, OLLI activity has helped me rebuild my life, has brought me so much companionship, worthwhile activity and mind-stretching ideas, that it has gone a long way toward bringing me back to a fulfilled life as a single person.

I'll look forward to meeting you on September 10, 2007. Do enjoy the rest of your summer.

Debbie Halverson, President, Olli--

**Class 290 – BASIC INVESTING: Instructor: SHIRLEY SMITH
Class 490 - WRITER'S WORKSHOP: Coordinator: DEBBIE HALVERSON
Class 890 - BASIC COMPUTERS: Instructor: CHARLIE PRYOR