

Investment Forum Program for Wednesday, July 9 at 10:00

Perspective: For financial news junkies, the name James Grant has long been familiar. He publishes *Grant's Interest Rate Observer* (www.grantspub.com). For several decades Grant has consistently stuck to the same mantra; things are going to hell. In a guest appearance on the PBS *Nightly Business Report* on July 3, he seemed to have modified his perspective (www.pbs.org/nbr/). Apparently Grant feels we have finally arrived at the unfortunate destination that he so long anticipated. Now, he is preaching that the stock market is a "market of stocks" and the time has arrived to begin searching for value. Grant's suggestions include the Third Avenue Value Fund (TAVFX), the Tocqueville Gold Fund (TGLDX), and the Wintergreen Fund (WGRNX) which was started in 2005 and had two outstanding years until this year. It has an eclectic portfolio.

Stock Talk: A reasoned argument can be made, based on historical valuations, that the 50 largest capitalization stocks in the S&P 500 Index are currently undervalued. One common suggestion is to buy them via the Diamonds Trust (DIA), an exchange traded fund that replicates the Dow Jones Industrial Average. A better approach might be to "cherry pick" a handful of the most promising stocks from the DJIA, which includes some real "dogs." A brief examination of the Dow's components may be timely, since it is a daily barometer of the market's health.

Closed-End Funds: The July issue of *Kiplinger's* magazine carries an article entitled "Great Stock Funds on Sale." Three of the funds described may be of potential interest to forum members. They are General American Investors (GAM) (www.generalamericaninvestors.com), Central Securities (CET) (www.centalsecurities.com), and Royce Focus Trust (FUND) (www.roycefunds.com). Each has a history of producing double-digit returns for investors over periods spanning decades. The article can be read in its entirety on the forum website at www.olligmu.org/~finforum/. Data on the funds can also be found at www.etfconnect.com.

On the Website: New articles which may be of interest to retired investors are posted weekly at www.olligmu.org/~finforum/.