**Investment Forum Program for
Wednesday, February 18 at 11:30**

Perspective: So, how did we get into this mess? Economic historians point out that periodic episodes of overleveraging followed by painful credit crises have plagued the country for two centuries. But, there may be more to the narrative this time. Starting around the time some of us were born, a conventional wisdom took root that home ownership served the common good. So, that led to an era of loosening mortgage lending standards. More recently, our elected leaders came to believe that loosening financial regulation stimulated economic vitality. Finally, earlier in this decade senior officials felt a need to loosen monetary policy in order to ward off a perceived threat of deflation. But, there is one more set of players who helped enable the scenario to play out as it did. They performed their role while many of us were still youthful (remember when?). And, one of the prominent culprits is a familiar name to students of Economics 101.

Strategies: Once upon a time, the conventional wisdom informed us to develop an individual long-term strategy with which we are comfortable and stick with it through bull and bear markets. That wisdom is being sorely tested. Two weeks ago, two members came forward and described two contrasting strategies. One might be characterized as disciplined mechanistic market timing and other in-depth focused analysis. This week let's revisit asset allocation and diversification in an attempt to discern whether that approach remains relevant.

Investments: iShares Barclays TIPS Bond Fund (TIP) and several pipeline master limited partnerships, plus other topics as time permits.

Anecdotal: Depth of stock bear markets on an annualized basis as measured by the S&P 500 Index: 1937 (-54.5%); 1968 (-36.1%); 1973 (-48.2%); 1987 (-33.5%); 2000 (-49.2%); 2008 (-37%). Source Ned Davis Research, Inc.

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