

## Investment Forum Program for Wednesday, December 1 at 10:00

### Future Meeting Schedule

During the interim period until the OLLI Winter Program begins, the Forum will meet at **10:00** on the following dates: December 1, 8 and 15, and January 5, 12 and 19.

**Perspective:** In today's handout photocopied from the latest issue Mrs. Hendershot's quarterly newsletter, Warren Buffett is quoted as saying "I can't imagine anyone having bonds in their portfolio when they can own equities." James Glassman writes in the December issue of *Kiplinger's Personal Finance* "When a blue-chip stock yields more than a Treasury bond, that is a tremendous opportunity." Finally, on November 23 *SmartMoney.com* posted an article entitled "11 Funds to Play a Large-Cap Rebound." The first paragraph of the article asserts "For those with fortitude, research suggests opportunity lies in a particularly neglected category, large-cap domestic stock funds."

**Exchange-Traded Funds:** The eleven managed stock funds referred to above, had trailing 3-year average annualized returns ranging from 11.14% to -3.65%. Comparing these returns to those of four large-cap exchange-traded funds; the SPDR S&P 500 Index (SPY), the iShares S&P 100 Index (OEF), the iShares S&P Global 100 Index (IOO), and the SPDR Dow Jones Global Titans (DGT), all the managed funds outperformed the ETFs—some by very wide margins.

**Stock Talk:** Dividend-rich telecom CenturyLink (CTL) is the largest holding in the SPDR S&P Dividend ETF (SDY) and is the second-largest holding in the iShares Dow Jones Select Dividend Index ETF (DVY). *Value Line* comments "We recommend these quality shares for risk-averse income-oriented investors" and *Value Line* includes CTL in their most recent list of Stocks for Dividend Growth with Low Risk. Also, many electric utility stocks have done well since the bear market bottom, but Exelon (EXC) is an exception. Based on its P/E and dividend yield, it appears to be cheap. It may deserve to be so or it may be a recovery candidate offering substantial total return potential—it depends. *Morningstar* sees the stock as priced well below their estimate of Fair Value. Others see it fully priced at the current quote.

**Presentation:** A former regular at the forum wishes to return and share some thoughts with the membership on when to hold 'em and when to fold 'em.