

Investment Forum Program for Wednesday, September 5 at 10:30

Waiting for the Big One: Everyone knows that someday California will experience “the big one,” a catastrophic earthquake of historic magnitude. What is not known is when; 30 days or 30 years. Everyone knows that someday inflation will return and interest rates will rise, perhaps sharply. But, no one knows when. Individual investors are being bombarded with advice on how to prepare for the eventuality. Some of the advice is difficult to act on and some is contradictory. However, taking the admonition seriously leads investors towards some potentially promising investment selections.

Follow-Up: Bob may have more to share on using options for fun and profit. Also, any comments and questions from members who have begun visiting the website *Seeking Alpha* after last week’s discussion will be welcome.

Stock Talk: Dover Corporation (DOV) is a little-known widely diversified global manufacturer that has increased its dividend each year for 57 years and still manages to maintain a sustainable low payout ratio.

Hedge Funds: Hedge funds, in the aggregate, have performed poorly in recent years. But the aura persists. So, mutual fund companies have introduced over 400 hedge-fund-type investments for investors seeking shelter from volatile stock markets. Are they good investments? Data suggest that individual investors are likely to do better sticking with traditional simple stock and bond investments.

Guru Watch: Henry Kaufman is quoted as follows in the current issue of *Barron’s*. “We are confronted with the most unusual set of circumstances that I have experienced in my lifetime.” “Try to keep an intermediate view and stay with quality.”

Recent Member Buys: (no Sells reported)

Dell (DELL)

Devon Energy (DVN)

Hewlett Packard (HPQ)

Kinder Morgan (KMR)

Plains All American (PAA)

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