

INVESTMENT FORUM AGENDA FOR WEDNESDAY, JULY 10, 2013, AT 11:50 AM

The Forum will meet at 11:50 AM through July 25 in TA-1

Market Perspective. Stocks were up for the week: DOW and S&P up 1.5%, and NASDAQ up 2.2%. The jobs numbers on Friday were favorable, and there is growing sentiment that the recovery is sustainable.

Long-term interest rates continued their climb, with the 10-year Treasury hitting 2.71%. Losses in bond funds and REITS continue. The TLT (Treasury Long-Term ETF) has lost 17% of its market value since early May. I will compare the losses of other bond funds during that time.

Financial Advisors. John Ryan and Elizabeth O'Beirne will discuss Financial Advisors, and the services available from them.

Income Funds. This week's Barron's feature article in its Mutual Funds Section, is titled "The New Breed of Income Funds." It discusses multi-asset, managed income funds, that invest in dividend paying stocks, bonds, REITS, preferred stocks, emerging markets, and MLPs, to produce yields higher than the S&P, along with price gains over time. The article names five mutual funds that have performed well: Blackrock Multi-Asset Income (BAICX), Franklin Income (FKINX), JP Morgan Income Builder (JNBAX), MFS Diversified Income (DIFZX) and Thornburg Investment Income Builder (TIBAX.) These funds have different allocations in various income producing investments, and adjust those allocations over time. All charge front-end loads between 4.25% and 5.25%.

We will not discuss this topic this week, but we will in coming weeks, looking at their performances and what they invest. The multi-

asset strategy is likely what many income investors do, who are diversified. Doing it yourself is not difficult and avoids the front-end loads, which are a non-starter, I suspect, for most of us.

Stocks of the Week. Freeport McMoran (FCX) which we did not get to last week.

Buys and Sells

Buys

Macy's (M) -\$18.9B market cap; 10.9 P/E; 1.7% dividend; 52% share price rise last 12 months

IBM (IBM)

Apple (AAPL)

US Natural Gas (UNG)

I Shares Russell 2000 Index (IWM) - \$22B market cap; 1.36% dividend; 31% share price rise last 12 months

Petrobras (PBR) - Brazil oil

Allegheny Corp (Y) - insurance. \$6.5B market cap

Smuckers (SJM)

PowerShares Senior Loan Portfolio (BKLN)

Sells

Pimco Income Fund (PONDIX)

Steinway Musical Instruments, Inc. (LVB)

American Capital, LTD (ACAS)

Thinking About . . .

Coca Cola (KO)

Store of wealth for "sky is falling" events.

Al Smuzynski

asmuzynski@verizon.net