

INVESTMENT FORUM AGENDA FOR WEDNESDAY, OCTOBER 15, 2014, 11:50AM, TA-1

The Forum will meet at 11:50AM through November 12

Market Perspective. How many of you forced yourselves to look at your portfolio balances after Friday's close? Painful, huh? And how many of you have adopted the notion, "if I don't look at my portfolio balances, then the losses did not happen?"

For the week, the DOW was down 2.7%; the S&P down 3.1%; and the NASDAQ was down 4.7%. The S&P is now down 5.5% below its September 18 close of 2,011. Nothing particularly bad has happened since then that was not bad in mid-September.

Of note: most commodity prices are down . . . if you own oil stocks, figure that your savings at the gas pump are offsetting some of your oil stock market losses. The yield on the 10-year Treasury has dropped to 2.31%. Once again, the bond market pundits have been 100% wrong in their predictions of interest rates so far this year.

Some sectors are in a bear market. Surely there are some stocks worth buying . . .

Retirement Savings Withdrawals. A longstanding rule of thumb is that if retirees withdraw 4% of their retirement savings each year, they will not run out before they depart this earth. Other withdrawal models are out there. Corky Rainey will discuss a more nuanced approach than the 4% rule.

Upcoming Agenda Topics. On October 22, Sy Sherman will be the Forum Moderator, and will discuss Alibaba (BABA,) and the Technology sector. John Woods will discuss managing Required Minimum Distributions (RMDs) from retirement savings accounts.

Sometime over the next few weeks, I will discuss the fundamentals of funds - mutual funds, exchange traded funds, and closed-end funds: how they are set up; how they are traded, characteristics, tax efficiency, use of leverage, and premiums and discounts. Then I will talk about bond CEFs, which can generate good yields (over 6%) for those alert investors who understand them and their peculiar risks.

Upcoming Panel Discussions. Between now and year-end, I will schedule panels to discuss the following topics:

- **"Evaluating Mutual Fund Performance."** How do you tell which mutual funds are performing well, and which are not? Morningstar and other services rate funds. Are these reliable? What metrics do you use?
- **"To Convert or Not."** This panel will discuss whether or not to convert to a Roth IRA.

These panels will have two to four participants, each of whom will give five to ten minutes of comments, followed by panel and member discussion. I will schedule the dates with the participants. Please let me know if you are interested in serving on one of the panels.

Coffee with Al. I appreciate that some of you may have investment issues that you would like to discuss, but they are unlikely to be Forum topics. If there is some topic that you would like to chat about, and you happen to think that I may know something about it, then for a cup of coffee at Starbucks or Panera, we can brainstorm about it for an hour plus. Confidentiality promised. And remember that a cup of coffee is about the market value for what my opinions. See me after class or shoot me an e-mail if you would like to do this.

Buys and Sells (week ending 10/8/2014)

Buys

Financial Sector Select SPDR ETF (XLF)

Gold - I am presuming the ETF (GLD) rather than bullion, but maybe not.

T. Rowe Price Health sciences (PRHSX)

Facebook (FB)

Alibaba (BABA)

Wells Fargo (WFC)

CVR Partners LP (UAN) - nitrogen fertilizer. MC: \$931M

iShares Intermediate Credit Bond ETF (CIU) - add on

Sells

Leggett & Platt (LEG)

Pimco Total Return ETF (Bond) - bought CIU

Thinking About . . .

iShares NASDAQ Biotechnology (IBB)

Seadril (RIG) - again

Alibaba (BABA)

Johnson & Johnson (JNJ)

Buy and Sell list observations:

Alibaba is on lots of folk's minds, and in several portfolios. Sy will enlighten us on 10/22.

CVR Partners (UAN) is in the fertilizer business, similar to Terra Nitrogen (TNH) that we discussed a while ago. A comparison might be interesting.

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