

INVESTMENT FORUM AGENDA FOR WEDNESDAY, MAY 27, 2015, 10:30AM, TALLWOOD, TA-1

We will meeting at 10:30AM at Tallwood, TA-1, to June 10. The Forum Summer term begins on June 17.

Registration for the Summer term ends on Tuesday, May 24, at 12 Noon

Market Perspective. For the week, the DOW was down 0.2%; the S&P up 0.2%; and the NASDAQ was up 0.8%. Trading volume was low, indicating that investors are uncertain where the market is heading.

Diversification. If Tom Crooker is here (he is uncertain,) he will discuss diversification.

International Stocks and Funds (cont.) John Woods suggests that we look at the following managed mutual funds that invest in global equities and emerging markets: T Rowe Price Emerging Markets (PRMSX,) Driehaus Emerging Markets (DREGX,) Matthews Asia Growth and Income (MACSX,) Fidelity Diversified International Fund (FDIVX,) and Fidelity Emerging Asia Fund (FSEAX.) How do they stack up against similar index ETFs?

Stocks of the Week. Westwood Holdings Group, Inc (WHG) - from the May 13 Buy/Sell list. Macy's (M), from the May 20 Thinking About list.

Partnership Taxation. In our discussion last week of Blackstone Group (BX,) a limited partnership, I made some errors on taxation. Unlike corporations, partnerships do not pay income taxes - refer back to the "Business" class you took in high school. Instead, the taxes on income, gains, losses, etc., are passed on to the individual owners - the partners, where they are taxed at applicable rates. If the business activities of the partnership has special provisions for taxation (such as energy production and transport in MLPs,) then those favorable tax provisions are passed on to the partners. Partnership distributions are not taxed; they are generally considered a return of capital. When the investors sell their partnership shares, they pay capital gains on any gain over the basis.

Buys and Sells (week of May 20)

Buys

bluebird bio, Inc. (BLUE) - gene therapy biotech. MC: \$6B
IShares MSCI Netherlands ETF (EWN)
IShares MSCI Australia ETF (EWA)

Sells

Gilead (GILD)

Thinking About . . .

IBM (IBM)

Macy's (M)

Forum Resources

Investment Forum Website. The Investment Forum has its own website, www.olligmu.org/~finforum. Or the OLLI website, www.olligmu.org, and from the Main Menu, click on “Clubs, Group Blogs, and Ongoing Activities,” and then “Investment Forum.” The current agenda and previous agendas are posted, as well as articles in the financial press that members recommend.

Al Smuzynski
Investment Forum Moderator
asmuzynski@verizon.net