

**INVESTMENT FORUM AGENDA FOR WEDNESDAY, AUGUST 26, 2015, 10:30AM,
Tallwood, TA-1**

Please note the following dates and times for the Forum:

August 26, September 2, 9, 16 - 10:30AM Tallwood, TA-1
September 23 - beginning of Fall Term 11:50AM, Lord of Life

NOTE THAT WE ARE MEETING AT 10:30AM THIS WEEK, IN TA-1.

Market Perspective. We are all glad that last week is over. Did somebody get the license number of the truck that hit us?

Who forced themselves to look at their portfolio balances after 4PM on Friday?

Pick out whatever negatives you want. Worst week in four years. Wiped out a year's worth of gains. It got worse as the week progressed, at an accelerating rate. For the week, the DOW and S&P were down 5.8%; and the NASDAQ was down 6.8%. Slowing Chinese growth and falling Chinese stocks, and falling oil prices seem to have been the biggest drivers. The DOW is now in correction territory - down 10% from its high, but the S&P is not. It is down 8.1% from its high of 2131, on May 21. It reached 2128 as recently as July 20. We are nearing the "death cross," - 50 day moving average falling below the 200 day moving average.

What will happen this week? By Wednesday, we will know more about this recent move lower.

Discussion: What are you going to do? I am writing this on Sunday afternoon. I am certain that quite a few of you plan to do something when markets open on Monday, and during the week. By Wednesday, the question will be, what, if anything, did you do and why?

Other questions for discussion are:

Mr. Market has slammed all sectors. Are there sectors that are now oversold? Is the entire market oversold?

Any further thoughts on energy, since our discussion last Wednesday?

What about interest rates, and the Fed's action (or not) in September to raise the Fed Funds rate?

Is Mr. Bull just resting, or is it time to get defensive? Is this pullback a buying opportunity?

How worried are you about China?

Forum Market Forecasts for 12/31/2015

Last December (2014) we took a show of hands, forecasting what the S&P would be as of December 31, 2015. Last week, we took another show of hands for the year-end S&P. These are the votes, side by side, for those of you who voted.

<u>S&P as of 12/31/2015</u>	<u>Vote on 12/17/2014</u> (S&P was 2013 on 12/17/2014)	<u>Vote on 8/19/2015</u> (S&P was 2080 on 8/19/2015)
1900 or below	2 votes	0 votes
1900 to 2000	0	10
2000 to 2100	20	13
2100 to 2200	12	8
2200 to 2300	1	0
over 2300	1	0

Observation. Your views on the market really have not changed much since last December.

Future Topics.

Banks. Banks have recovered from the recession. Their balance sheets are the strongest in years, perhaps ever. Profits continue to grow. And while prices have risen, bank stocks do not appear overvalued. And most banks will benefit from a rise in interest rates.

Industrials. Warren Buffett is liking industrials. Should we?

Homebuilders. I don't recall homebuilders ever being a Forum topic. With the housing market healthy, we will take a look at the sector and some of the bigger names.

Buys and Sells (from 8/19/2015, which covered the previous three weeks)

Buys

MarkWest Energy (MWE)

Plains All-American (PAA)

UDR, Inc (UDR) - apartment REIT. MC: \$9B

Enterprise Partners LP (EPD)

Under Armour (UA)

Apple (AAPL) - 2 buys

Buys (continued)

Fidelity Advisor Small Cap Value Fund (FCVB)

Boardwalk Pipeline Partners LP (BWP)

Loews Corp (L)

Colfax Corp (CFX) - gas and fluid handling technology products. MC: \$5B

CVR Partners, LP (UAN) - fertilizer. MC: \$786M. Dividend yield: 14%

Netflix (NFLX)

Vanguard Total Stock Market ETF (VTI)

Fitbit (FIT)

Kinder Morgan, Inc (KMI)

Health Care REIT (HCN) - add to

General Motors (GM)

PowerShares Senior Loan ETF (BKLN) - add to

Sells

Gilead (GILD)

HealthCare Select SPDR ETF (XLV)

Facebook (FB)

JC Penney (JCP)

General Motors (GM)

Schlumberger (SLB)

Chevron (CVX)

Center Coast MLP and Infrastructure CEF (CEN)

Baxalta (BXLN) - 2 sells, on sale news.

Thinking About . . .

Fitbit (FIT)

Observation. You continue to buy energy on the dip. Especially MLPs.

Al Smuzynski

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