

## **INVESTMENT FORUM AGENDA FOR WEDNESDAY, JANUARY 6, 2016, 10:30AM, Tallwood, TA-1**

The Forum will meet January 13 at 10:30AM in TA-1. The Winter Term will start on January 20, 11:50AM, Lord of Life, Fellowship Hall

**Market Perspective.** Hello 2016! For most of us, it is good riddance to 2015. For the year, the DOW was down 2.2%; the S&P was down 0.7%; and the NASDAQ was up 5.7%. Unless you owned a few tech names (Amazon, Google, Facebook, Microsoft) the results were even worse. First down year for the S&P and the DOW since 2008. While Santa Claus made several valiant efforts during December to make 2015 positive, in the end not even Santa could come through.

What will be the drivers of markets in 2016, and what changes to our portfolios should be made?

- Energy - time to buy low, or buy companies and sectors benefiting from cheap prices?
- Get defensive/risk off?
- What about fixed income and dividend payers, with expected continued interest rate increases?
- Or the ever popular “don’t just do something, stand there” aka “deer in the headlights.”

**High-Yield Bonds.** Junk had a nice run from the recession into 2015, with price appreciation and good yields. That ended in 2015, for a number of reasons. Let’s talk about junk, what happened, and whether high-yield is now an opportunity.

Suzanne Nessel suggests we look at Vanguard High-Yield Corporate Fund (VWEHX,) a \$17B mutual fund that yields 5.9% and has an expense ratio of .23%. We will look at this fund, and several junk bond ETFs, and see how they compare. We will also talk about investing in high-yield via mutual funds, ETFs, and Closed-End Funds.

### **Investment Forum 2016 Market Predictions.**

Last year (December 2014,) over half of us (20 of 36) predicted that the S&P would end 2015 between 2000 and 2100. Your predictions then were slightly less bullish than most of the “experts” in the financial press. But we beat the experts!

At our last meeting, on December 16, 2015, these were the votes for the S&P, year-end 2016:

S&P as of 12/31/2016

1900 or below	1 vote
1900 to 2000	1
2000 to 2100	18
2100 to 2200	18
2200 to 2300	1
2300 to 2400	1
over 2400	0

Once again, we are slightly less bullish than the “experts.”

Given the importance of the price of oil on global markets and our portfolios, we took a vote last meeting on the price oil. This is what you think.

Oil as of 12/31/2016

Below \$20	0 votes
\$20 - \$30	1
\$30 - \$40	5
\$40 - \$50	24
\$50 - \$60	8
Over \$60	2

***Buys and Sells (week ending December 16)***

Buys

Raytheon (RTN)  
Wells Fargo (WFC)  
Spectra Energy Corp (SE)  
Capital One (COF)

Sells

Apple (AAPL) - transfer to charitable trust  
ALPS MLP ETF (AMLP)  
Driehaus Emerging Markets (DREGX)  
Guggenheim Bullet Shares 2016 High-Yield ETF (BSJG)  
PowerShares Senior Loan ETF (BKLN) - partial sale

***Moderator(s) needed January 27.*** You pick the topics, or I can help. Or a two-person tag-team. I can distribute the agenda.

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