

INVESTMENT FORUM AGENDA FOR WEDNESDAY, FEBRUARY 7, 2018 11:50AM,

LORD OF LIFE, SANCTUARY

The Winter Term runs through February 14, at Lord of Life. We will meet as a “club” at Tallwood, starting February 21 at 10:30AM, through March 21. The Spring Term begins March 26.

Brenda Bloch-Young is Forum Moderator this week.

Market Perspective. What a difference a week makes! Looks like the melt-up ended last Friday. This week, the DOW was down 4.3%; S&P was down 4.0%; and NASDAQ was down 3.7%. Interest rates continued to rise, with the 10-year ending at 2.84%, with increases at the long end of the yield curve. While the Fed held rates steady, jobs’ and wage numbers on Friday pointed to the likelihood of several rate increases in 2018. But despite the bad week, equities are still up nicely year-to-date.

Tax Reform (continued.) Brenda will discuss the implications of the tax bill for the corporations we typically invest in. While the Tax Cuts and Jobs Act reduced the statutory corporate tax rate from 35% to 21%, many multinational corporations we invest in already had a lower tax rate. In particular, technology and pharmaceutical companies based on their ability under the old law to transfer the value of intellectual property abroad. This is often referred to as Base Erosion. The new law has provisions that attempt to limit this practice. The benefit of the tax cuts will be mixed. While many of the details (actual regulations) have not been released yet, there are some interpretations of what the intent was when the bill was passed.

Upcoming Topics

February 14, 2018. Technology Sector. Sy Sherman and I will look at the sector, the top performing sector in 2017, and how it looks in 2018. Also some companies to watch, and Sy’s favorites.

February 21, 2018. Panel on Managing My Portfolio When I am No Longer Able. Many active investors worry about the day when they pass or are unable to manage their portfolios, and their spouse or family members do not have the skills or interest to take over. Corky Rainey, Ray Willson, Garrett Cochran, and former Forum Member Maury Cralle, will discuss solutions ranging from hiring an investment advisor, or “robo” advisors, or designating a family member who does have the skills, or moving to a simple portfolio of funds that are stable and do not require constant attention, or other strategies. A date convenient to the panel members will be selected, in the first quarter. This will be an interactive panel discussion with your participation invited.

Other Topics as Time Permits.

- Late stage cycle investing.
- Foreign stocks and funds.
- “Bonds on steroids.”
- CD and bond ladders.
- The muni time bomb.

We need a Moderator for the March 21 Forum. This is a “club” meeting which will meet at 10:30AM at Tallwood. I can help with the agenda and will distribute the agenda.

Buys and Sells (Week ending 1/24/2018)

Buys

Dominion Energy (D) - 2 buys

Vanguard Short-Term Corporate Bond ETF (VCSH)

Celgene (CELG) - add to

Health-Care Select SPDR ETF (XLV) - add to

Procter & Gamble (PG) - add to

Vanguard US Total Market Shares ETF (VTS)

General Electric (GE) - add to

Lumentum Holdings (LITE) - optical and photonic products. MC: \$2.9B

Nvidia (NVDA)

Adobe (ADBE)

Alaska Air Group (ALK)

Advantage Oil and Gas (AAV)

Vanguard Emerging Markets ETF (VWO)

Kimco Realty (KIM)

Gamestop (GME)

Southern Company (SO)

EPR Properties (EPR)

National Retail Properties (NNN)

Welltower (HCN)

AT&T (T)

Merck (MRK)

Sells

Gilead (GILD)
Apple (AAPL) - 2 sells
Target (TGT)
Pioneer Natural Resources (PXD)
General Electric (GE) - 2 sells
AT&T (T)
Nestle (NSRGF)
Ventas (VTR)
Coca Cola (KO)
Bank of America (BAC)
Visa (V)

Thinking About . . .

Blackrock Resources and Commodity Fund (BCX)
SPDR S&P Biotech ETF (XBI)

Investment Forum Website. The Investment Forum has its own website, www.olligmu.org/~finforum. Or from 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.

Fairfax County Library Website. FairfaxCounty.gov and the library website, have been revised. You can still get the Morningstar newsletters, ValueLine, and other premium services through the library website, using your library card number, but there is a different path to get there.

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