

## INVESTMENT FORUM AGENDA FOR WEDNESDAY, FEBRUARY 14, 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.

Registration for the Spring Term begins on February 22, and runs through March 2, at 12 Noon

***Market Perspective.*** We all knew that a 10% correction was long overdue, but did we expect it to happen over just two weeks, with head-snapping volatility?

We will spend the session talking about what has happened over the past two weeks. (The previously announced topics have been rescheduled; see below.) Please share your observations on what happened, why, what is likely ahead, and what, if anything, you plan to do with your portfolio in response. The following questions come to mind, which you can comment:

- This move came at a time of positive economic numbers, worldwide, low unemployment, and good corporate earnings. Does that make sense?
- How important are rising interest rates, inflation indicators, fiscal policy and Federal debt, and upcoming Fed actions? (The Wall Street Journal blames the correction on Ben Bernanke, and the Fed’s bond purchases.)
- Did computerized trading and the rise of indexed funds play a role in the pullback?
- Are valuations more reasonable now, and are there buying opportunities in stocks or sectors?
- How many times did you check the market last Monday and during the week?
- Was January 26 (just two weeks ago!) the high for 2018?

For the week, the DOW and S&P were down 5.2%, and the NASDAQ was down 5.1%. The late Friday move up got us out of correction territory.

### **Upcoming Topics**

***March 21. Tax Reform.*** Brenda Bloch-Young will be Forum Moderator and will discuss the implications of the tax bill for the corporations we typically invest in. (This is the topic scheduled for February 7, but cancelled as OLLI was closed.) 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.

**February 28. 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. 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.

### ***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](http://www.olligmu.org/~finforum). Or from the OLLI website, [www.olligmu.org](http://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](http://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.

From the Library website, [fairfaxcounty.gov/library](http://fairfaxcounty.gov/library)  
Select Research Center  
Select A-Z Online Resources  
Scroll down alphabetically, to “M” for Morningstar, “V” for ValueLine, etc.  
Log in with your library card number.

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