

INVESTMENT FORUM AGENDA FOR WEDNESDAY, FEBRUARY 28, 2018 10:30AM,

TALLWOOD, TA-1

We will meet as a “club” from February 28 through March 21, at 10:30AM, at Tallwood. No registration is needed for club meetings, and guests are welcome.

Registration for the Spring Term is in progress, and runs through March 2, at 12 Noon.

Market Perspective. The Friday rally pushed stocks up for the week. For the week, The DOW was up 0.4%; the S&P was up 0.6%; and the NASDAQ was up 1.4%. Despite the “Correction” a few weeks ago (which lasted one day) the indexes are up 2.4%, 2.8%, and 6.3% YTD. Questions remain in the impact of rising interest rates, and whether Fed actions will hurt equity markets.

Managing My Portfolio When I am No Longer Able. Many thanks to Maury Cralle and Corky Rainey for their thoughtful and informative presentations last week. Ray Willson and Garrett Cochran, will each discuss what they are doing or will do on March 7. Please consider sharing your plans with the Forum, at a future time of your choosing. (No, Powerpoint presentations are not necessary!)

Technology Sector. Sy Sherman and I will talk about the tech sector this week. Tech has been hot. Is it still the place to be? I will compare the tech sector with other sectors, and Sy will talk about his favorite tech stocks. (We will include Amazon in the discussion, even though it is in the Consumer Discretionary sector.)

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.

Looking for Yield. Now that interest rates are rising, and likely to continue to rise, I will discuss several fixed income topics as time permits. Those include: higher yield fixed income investments and funds; leveraged funds; mortgage REITs; preferred stocks, convertibles; bond and CD ladders; international bonds, and rolling down the yield curve.

Buys and Sells (Two Weeks Ending 2/21/2018)

Buys

Tencent Holdings ADR (TCEHY)
Apple (AAPL) - two buys
Vanguard US Total Market Shares ETF (VTS)
Advantage Oil and Gas (AAV) - MC: \$558M
Boardwalk Pipeline Partners (BWP)
General Electric (GE) - “bottom fishing”
Iron Mountain (IRM)
Merck (MRK)
Public Storage (PSA)
Ford (F)
Pepsico (PEP)
Enbridge Energy Partners (EEP)
Dominion Energy (D)
Vanguard Short-Term Corporate Bond ETF (VCSH)

Sells

American Eagle Outfitters (AEO)
Van Eck Vectors Preferred Stock Ex-Financials ETF (PFXF)
Compass Minerals (CMP)

Thinking About . . .

Nvidia (NVDA)

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.

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