

## INVESTMENT FORUM AGENDA FOR WEDNESDAY, MARCH 14, 2018 10:30AM,

### TALLWOOD, TA-1

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

The Spring Term begins on March 28, at 11:50AM, **at Tallwood, TA-1. We will meet at Tallwood, instead of Lord of Life, for the Spring term.**

**Market Perspective.** A strong week, with the DOW up 3.3%; the S&P up 3.5%; and the NASDAQ up 4.2% and at all time highs. The strong jobs’ numbers on Friday drove markets. Friday was the ninth anniversary of the bottoming of stocks during the recession; the S&P hit 666; it is now 2,787.

With Canada and Mexico getting reprieves from the proposed steel and aluminum tariffs, uncertainty has been introduced whether there will be a trade war.

**Managing My Portfolio When I am No Longer Able.** We will complete this topic, with a discussion from Garrett Cochran.

This topic has had discussions from several perspectives, and has been informative. If you would care to share your thoughts, please let me know and we will schedule a date.

**Real Estate Sector.** Real estate companies and REITS were included in the financial sector, until recently. Now they are in their own sector. We will take a look at that sector, the Real Estate Sector SPDR ETF (XLRE) and some popular REIT funds.

**Alternative Investments - back-up electricity generators.** Tom Crooker will give a tutorial on back-up generators, useful for areas with frequent power outages, and which many experienced last week.

**Regional Banks.** Following up on our discussion last week of regional bank ETFs. The SPDR S&P Regional Banking ETF (KRE) is equal weighted, and includes 117 stocks, and has an annual turnover of 52%. The IShares US Regional Banks ETF (IAT) is market-cap weighted, includes 53 stocks and has annual turnover of 6%. The high turnover of the KRE is due to its equal weighting. Any significant change in individual stock prices will move that stock on or off the index.

## 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.

**April 26. International Stocks and Funds.** James Dann will look at international stocks and funds, which provided good returns in 2017. Is that likely to continue?

**May 16. Stock Picking.** Ingrid Hendershott, CFA, President of Hendershott Investments, will share her views on the market and stocks that she buys for her clients portfolios. Ms. Hendershott has spoken to the Forum several times over the years.

## ***Buys and Sells (Week Ending 3/7/2018)***

### Buys

Shares Global Infrastructure ETF (IGF)

Cimarex Energy (XEC) - MC: \$8.9B

Micron Technology (MU)

General Mills (GIS)

Kimberly Clark (KMB)

Tencent Holdings (TCEHY) - add to

### Sells

Lord Abbett Affiliated Fund (LAFFX)

Qualcomm (QCOM)

SPDR Dow Jones Industrial Average ETF (DIA)

Al Smuzynski

Investment Forum Moderator

asmuzynski@verizon.net

