

INVESTMENT FORUM AGENDA FOR WEDNESDAY, April 4, 2018 11:50AM,

TALLWOOD, TA-1

The Spring Term runs through May 16

Market Perspective. A good week, with markets gaining back some of the big losses from the week before. Volatility remains very high, with big swings hourly and daily. For the week the DOW was up 2.4%; the S&P was up 2.0%; and the NASDAQ was up 1.0%. The first quarter was negative - the first negative quarter in several years, with the DOW, S&P and NASDAQ down 2.5%, 1.2% and 2.3%. The big rise in January seems like a distant memory.

Buy/Sell List. We have been compiling the Buy/Sell list of stocks and funds purchased and sold by Forum members, since 2011. While we occasionally discuss investments on the list, we have never devoted a full class to the list. This week's list (actually two weeks, at the bottom of this agenda) has a number of interesting buys and sells. As an experiment, I want to devote the class to looking at the investments, and discussing them, as follows.

- I will pull each investment up on Morningstar.
- The member who bought or sold the investment on the list, is invited (but not required, of course) to say what attracted him or her to the investment, or why he or she sold the investment. Those can include: financial metrics or trends that are meaningful; how long you followed the investment; what other research you did on products, business prospects, analyst opinions, etc.. to finally make you pull the trigger.
- Others who also own the investment, are invited to comment similarly.
- Finally, anyone can provide observations on the investment.

We shall see how this works.

Upcoming Topics

April 18. Tax Reform. Brenda Bloch-Young will discuss the implications of the tax bill for the corporations we typically invest in. (This is the topic scheduled for February 7 and March 21, but was postponed both times as OLLI was closed for weather.) 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. 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.

Since this discussion was first prepared, more interpretations and analyses have been released. We will look at how the law impacts the 13 stock sectors based on Wall Street Journal and Bloomberg Tax.

April 25. 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 (2 Weeks Ending 3/28/2018)

Buys

Discovery (DISC) - media. MC: \$9.8B

Oaktree Capital Group (OAK) - Asset Manager. MC: \$6.2B. Yield: 8.4%

Newell Brands (NWL) - MC: \$12B. Yield: 3.6%

Enterprise Products Partners (EPD) - MC: \$52B. Yield 6.9%

General Electric (GE)

Visa (V)

SPDR S&P Aerospace & Defense ETF (XAR)

MVB Financial (MV) - bank. MC: \$208M. (possible error on list)

Dominion Energy (D)

Procter & Gamble (PG)

Lockheed Martin (LMT)

General Mills (GIS) - 2 buys

Schwab US Broad Market ETF (SCHB) - add to

Schwab US Dividend Equity ETF (SCHD) - add to

Vanguard Dividend Appreciation ETF (VIG) - add to

EPR Properties (EPR) - add to

Ventas (VTR)

T Rowe Price Floating Rate (PRFRX)

Sells

Pioneer Natural Resources (PXD)

JD.Com (JD) - China e-commerce

Yum China Holdings (YUMC)

Tencent Holdings (TCEHY)

Spectra Energy Partners (SEP)

Raytheon (RTN)

T Rowe Price Large Cap Core Fund (TRULX)

T Rowe Price Equity Income (PRFDX)

Thinking About . . .

Nvidia (NVDA)

Dropbox (DBX) - MC: \$12.3B

Paychex (PAYX)

Johnson & Johnson (JNJ)

General Electric (GE)

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