

INVESTMENT FORUM AGENDA FOR WEDNESDAY, APRIL 1, 2020, 11:50AM

We will meet this week on-line, using Zoom videoconferencing, and until OLLI classes meet again in-person.

I will send out emails with a link to the meeting, the day before or at least an hour before the start of the meeting. You can enter the meeting 15 minutes before the start. Please make sure you enter your first and last name when you join the meeting.

Our Forum last week using Zoom videoconferencing went well, with 75 attending. We and OLLI have had further training and practice sessions, as all OLLI classes will meet using Zoom, until Mason is open again for in-person classes. I believe that our use of Zoom will continue to improve, and provide worthwhile Forum sessions. For those of you who have not participated in Zoom classes, I urge you to give it a try. OLLI is providing coaching to those who are having difficulty mastering the technology.

Markets.

Another wild week, with three big up days, as a \$2 trillion stimulus package was passed and signed into law, and the Fed began aggressive actions on lowering interest rates, and buying bonds and bond ETFs. For the week, the DOW was up 12.8%; the S&P up 10.3%; and the NASDAQ up 9.1%. These gains clawed back some of the hideous losses of previous weeks: YTD, the DOW, S&P, and NASDAQ are down 24.2%; 21.3%; and 16.4%. And, of course, the path of the pandemic and the economic havoc it has created, are still unknown and unknowable. One unexpected plus from the stimulus package - RMDs are waived for 2020!

Topics this Week

Market Efficiency, asset allocation, and black swan events.

It has long been argued that the securities are “priced efficiently,” meaning that new information is quickly digested and priced into the market. Therefore, the argument goes, it is virtually impossible for anyone to consistently outperform the market on a risk adjusted basis. This has led to the rise of passively managed, index funds.

Joe Benning, a new Forum member, will discuss the idea that efficient markets and how properly designed and implemented asset allocation strategies can be used to maximize expected returns for different risk tolerances and market environments, including “black swan” events.

Buy Buy Buy! This week's Barron's has several articles that now is buying opportunity. Zach Teich will summarize a recent Morgan Stanley client call, with bullish views by Mike Wilson, who was quoted in Barron's.

Buy and Sell List.

Please provide me with emails listing your buys and sells, that will be looked at by Bob Baker.

Upcoming Topics

We will be rescheduling the upcoming topics.

Industrial Automation. Ray Willson will talk about industrial robots and the leading companies in this industry.

Financial Advisors (continued.) Jerry Anderson, Marvin Singer, and Craig Zane will talk about how they use financial advisors. This is a continuation of the panel discussion from several months ago, with members sharing a wide range of how they select and use financial advisors.

SECURE Act. This legislation (Setting every Community Up for Retirement Enhancement) was passed as part of the budget agreement. It makes of number of positive changes to retirement accounts, mostly benefiting workers, but a big negative for investors expecting to pass on IRAs to heirs - elimination of the "stretch" provisions, and requiring inherited IRAs to be withdrawn within ten years. This will change some estate planning strategies, which we will look at over time.

Utility Sector. Brenda Bloch-Young will discuss the utility sector, which has changed recently, at a later date.

Buys and Sells

Buys (weeks ending 3/28/2020)

Genuine Parts (GPC)

Southern Company (SO)

Broadcom (AVG)

Ares Capital (ARCC) - add

Main Street Capital (MAIN) - add

Buy to open AAPL \$270 call, expire 6/17/22

Buy to open AAPL \$240 calls, expire 6/17/2022

Sells (week endings 3/28/2020)

Crown Castle (CCI) - trim

Target (TGT) - trim

Procter&Gamble (PG) - trim

Sell to open AAPL \$270 puts, expire 6/17/2022

Sell to open AAPL \$240 puts, expire 6/17/2022

Thinking About . . .

Emerson Electric (EMR)

Alphabet (GOOG)

Home Depot (HD)

Al Smuzynski

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