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Subject: Minutes of the Breakfast Club, March 27, 2017

Minutes of Breakfast Club 3.27.2017

Nineteen people attended the breakfast this morning. My hand-out was related to the Financial SIG meeting of March 22 when I talked about Jeremy Siegel's discovery that the purchase of stocks in the original S&P 500 (1957) have out-paced the results of today's S&P 500. (2005) The reason was that when a new stock is to be added to the index (in about 10 to 14 days) the price goes up & up and the purchases are too expensive. Then afterwards the price of the new stock goes down. Siegel said that about 20 to 25 new stocks are added to the S&P 500 every year. This hand-out shows the names of 31 new companies that were admitted in 2016 and since January 5, 2017 there have already been 9 new names.

Frank Castrignano shared a hand-out, "Should you hold Bonds or Bond Funds When Interest Rates Rise?" The author says, "There's no one right answer for every investor. But with a basic understanding of bond mutual fund dynamics and an honest look at your investment style and goals, there are good reasons to consider bond funds as a key component of your portfolio – even when interest rates are rising."

Jim Patterson summarized a paper with 11 Cybersecurity tips. All are valuable. Jim's #10 says that because information on a cell phone can be "hacked", a land line is superior for minimizing a trail. Paul Gorman gave a paper on "A Look Ahead 2017" The paper listed the estimated growth of the 11 sectors in the S&P 500 and the S&P Composite 1500 for 2017.

Paul also provided us with a record of our Portfolio 30 which is up 3.4% since January 20th. It is led by Dr. Marvin's selection of Himax Tech, up 70.3%. Incidentally, Paul Gorman also selected Himax for Portfolio 29 (July 2016) and it is only up 1.2% from July. Portfolio 29 is now up nearly 14%, beating the Dow & the S&P, but lagging NASDAQ. Portfolio 29 is led by Frank Castrignano's selection of Lantheus, up 155.4% since last July.

Thanks to all hand-out contributors and to all participants.

Our next breakfast will be Monday, April 24th, here at the restaurant. Peter Crouse announced that our next chapter Financial SIG meeting is also on April 24th, but at 7 p.m. in the Penfield Library. We hope you can attend.

Jeff Fraser, jfraser357@aol.com if you need to reply.

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