

MONEYLETTER *hotline*

Welcome to the *MONEYLETTER* Hotline for Wednesday, April 27, 2016

The Federal Reserve Open Market Committee held the line on interest rates today, but the possibility of a June increase remains. Members observed that labor conditions continue to improve, although economic growth has slowed. Risks from overseas are still present and will be monitored closely.

Since the last Hotline, the S&P 500 declined by 0.3%; the EuroSTOXX 50 is down 0.4%; and the Nikkei 225 is up 2.3%.

There are no changes to your current asset allocations at this time.

There are two trades recommended for the model portfolios. We are selling Parnassus Endeavor (ticker: PARWX) in all three MONEYLETTER models. In each case, we are replacing it with Mairs & Power Growth Investor (MPGFX). In the Vanguard models, we are selling Vanguard Morgan Growth (VMRGX). In the Vanguard Conservative & Moderate models, the replacement fund is Vanguard Dividend Growth (VDIGX). In the Vanguard Venturesome model, you should buy Vanguard Value Index Investor (VIVAX).

New Fund Changes – For domestic stock funds, there are two new Buys this week: T. Rowe Price Mid Cap Value (the fund is closed, ticker: TRMCX) and WisdomTree SmallCap Dividend ETF (DES). There is one new Hold: Janus Growth & Income T (JAGIX). There are four new Sells this week: Janus Twenty T (closed, JAVLX), Parnassus Endeavor, Vanguard Morgan Growth Investor, and T. Rowe Price Growth Stock (PRGFX).

For international stock funds, there are three new Buys this week: WisdomTree Australia Dividend ETF (AUSE), SPDR S&P Emerging Latin America ETF (GML), and iShares Latin America 40 (ILF). There is one new Hold: WisdomTree Europe SmallCap Dividend ETF (DFE). There is one new Sell this week: Matthews China Small Companies (MCSMX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, May 4th, 2016 at 7pm.