

MONEYLETTER *hotline*

Welcome to the MONEYLETTER Hotline for Wednesday, August 3, 2016

We are advising Venturesome investors to increase the domestic stock fund allocation by 10%. The funds for this purchase should come from the Bond Fund allocation. See the new issue of MONEYLETTER for outlook and explanation.

Specifically, for the **MONEYLETTER Venturesome** model, you should Sell DoubleLine Total Return Bond N (ticker: DLTNX) and Buy William Blair Small Cap Small Cap Growth N (WBSNX). For the **Fidelity Venturesome** model, you should Sell Fidelity Mortgage Securities (FMSFX) and Buy Fidelity Small Cap Discovery (FSCRX). Small Cap Discovery is our best advice and is owned by many subscribers, but it is closed to new investors. The alternative is Fidelity OTC Portfolio (FOCPX). And for the **Vanguard Venturesome** model, you should Sell Vanguard Mortgage-Backed Securities (VMBS) and Buy Vanguard Small Cap Value ETF (VBR).

Global stock prices have retreated a bit after rallying most of July. Since the last Hotline on July 27th, the S&P 500 is down only 0.1%, the Euro STOXX 50 is off by 2.9%, and the Nikkei 225 has moved lower by 3.5%.

New Fund Changes – For domestic stock funds, there are three new Buys this week: Champlain Small Company Advisor (closed, CIPSX), iShares Morningstar Small Value (JKL), and Clearbridge Small Cap C (LMASX). There are six new Holds: American Century Equity Income Investor (TWEIX), Mairs & Power Growth Investor (MPGFX), CRM Mid Cap Value Investor (CRMMX), Schwab U.S. Dividend Equity ETF (SCHD), iShares Core High Dividend (HDV), and Vanguard High Dividend Yield ETF

(VYM). There are four new Sells this week: Vanguard Dividend Appreciation ETF (VIG), Value Line Mid Cap Focused (VLIFX), Vanguard Dividend Appreciation Index Investor (VDAIX), and T. Rowe Price Growth & Income (PRGIX).

For international stock funds, there are two new Buys this week: Dreyfus Emerging Markets A (DRFMX) and BLDRs Emerging Markets 50 ADR ETF (ADRE). There are no new Holds. There is one new Sell this week: Matthews Asian Growth & Income Investor (MACSX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, August 10th at 7pm Eastern Daylight Time.