

MONEYLETTER *hotline*

Welcome to the *MONEYLETTER* Hotline for Wednesday, June 15, 2016

The Federal Reserve Open Market Committee voted unanimously to keep interest rates at current levels during their just-concluded two-day meeting. Committee Chair Janet Yellen cited recent mixed domestic economic reports, an uncertain outlook, and risks from overseas among many reasons for holding the line. Overseas risks include persistent slow growth and the upcoming Brexit vote scheduled for next Thursday.

While most policy makers believe that two hikes are likely to be appropriate before year end, there was a significant increase since March in the number of participants who see only one increase as likely over the remainder of this year. Today's comments may help support world equity markets which have been under pressure over the last week. Since the last Hotline, the S&P 500 lost 1.3%, the EuroSTOXX 50 is down 6.3%, and the Nikkei 225 is off by 3.7%.

There is no change to your asset allocations. There is one trade recommended for this week: Sell PowerShares QQQ ETF (ticker: QQQ), which is in the MONEYLETTER Conservative and Venturesome models. In both cases, the replacement fund is PowerShares Hi-Yield Equity Dividend Achievers (PEY).

Last week we recommended two re-balancing trades for Venturesome investors. In the Fidelity Venturesome model portfolio we Sold 160 shares of Fidelity Contrafund (FCNTX) and put the proceeds into Fidelity Cash Reserves, the model's money market fund. In the Vanguard Venturesome model, we Sold 288 shares of

Vanguard Dividend Growth (VDIGX) and put the proceeds into Vanguard Prime Money Market Fund/Investor.

New Fund Changes – For domestic stock funds, there are no new Buys this week. There are three new Holds: Vanguard Dividend Growth Investor, Vanguard Mega Cap Value ETF (MGV), and Clipper Fund (CFIMX). There are two new Sells this week: Janus Growth & Income T (JAGIX) and PowerShares QQQ.

For international stock funds, there are no new Buys this week. There is one new Hold: WisdomTree Europe SmallCap Dividend ETF (DFE). There are no new Sells this week.

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, June 22nd, 2016 at 7pm.