

MONEYLETTER *hotline*

Welcome to the MONEYLETTER Hotline for Wednesday, May 4, 2016

We are putting some cash back to work for Venturesome investors, who have had 30% in money market funds since February. Here is the new allocation advice: for Venturesome investors, reduce your Money Fund allocation by 20% (from 30% to 10%). Put half the proceeds (a 10%) position into Specialty Funds, specifically income-producing real estate funds. Put the other half of the proceeds into emerging market bond funds.

For the Specialty/real estate income fund position, Fidelity Real Estate Income (ticker: FRIFX) is recommended for the MONEYLETTER Venturesome and Fidelity Venturesome model portfolios; Vanguard Venturesome investors should switch into Vanguard REIT Index Fund Investor (VGSIX). For the emerging markets bond fund position, MONEYLETTER Venturesome investors should purchase PIMCO Emerging Markets Bond D (PEMDX); followers of the Fidelity Venturesome model should switch into Fidelity New Markets Income (FNMIX); and Vanguard Venturesome investors should buy Vanguard Emerging Markets Government Bond Index Investor (either VGOVX or the ETF version VWOB).

New Fund Changes – For domestic stock funds, there are four new Buys this week: Artisan Value Investor (ARTLX), SPDR S&P 600 Small Cap Value ETF (SLYV), iShares S&P SmallCap 600 Value (IJS), and CRM Mid Cap Value Investor (CRMMX). There are four new Holds: WisdomTree LargeCap Dividend ETF (DLN), AMG Yacktman Fund Service (the fund is closed, YACKX), AMG Yacktman Focus Service (closed,

YAFFX), and Guggenheim Russell Top 50 Mega Cap ETF (XLG). There are three new Sells this week: USAA Growth (USAAX), iShares S&P 500 Growth (IVW), and SPDR S&P 500 Growth ETF (SPYG).

For international stock funds, there are no new Buys this week. There is one new Hold: PowerShares Golden Dragon China ETF (PGJ). There is one new Sell this week: Matthews China Dividend Investor (MCDFX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, May 11th, 2016 at 7pm.