Investing for Successful Retirement

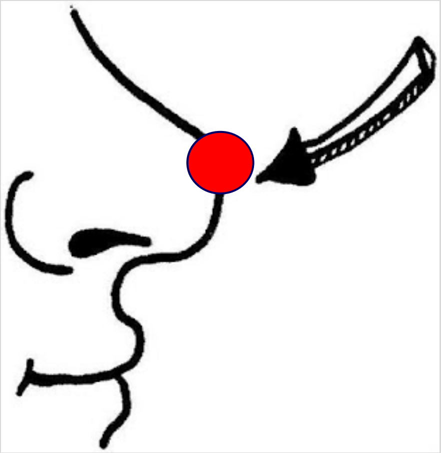
UD Osher – OLLI

Fall 2025

- Rajeev A. Vaidya
- Ron Materniak

Disclaimer in plain language

Disclaimer – in plain language:



Opinions are like noses, everyone has one !

You are going to see mine in this course !!

We are simply sharing our perspective.

This is not investment advice or recommendation.

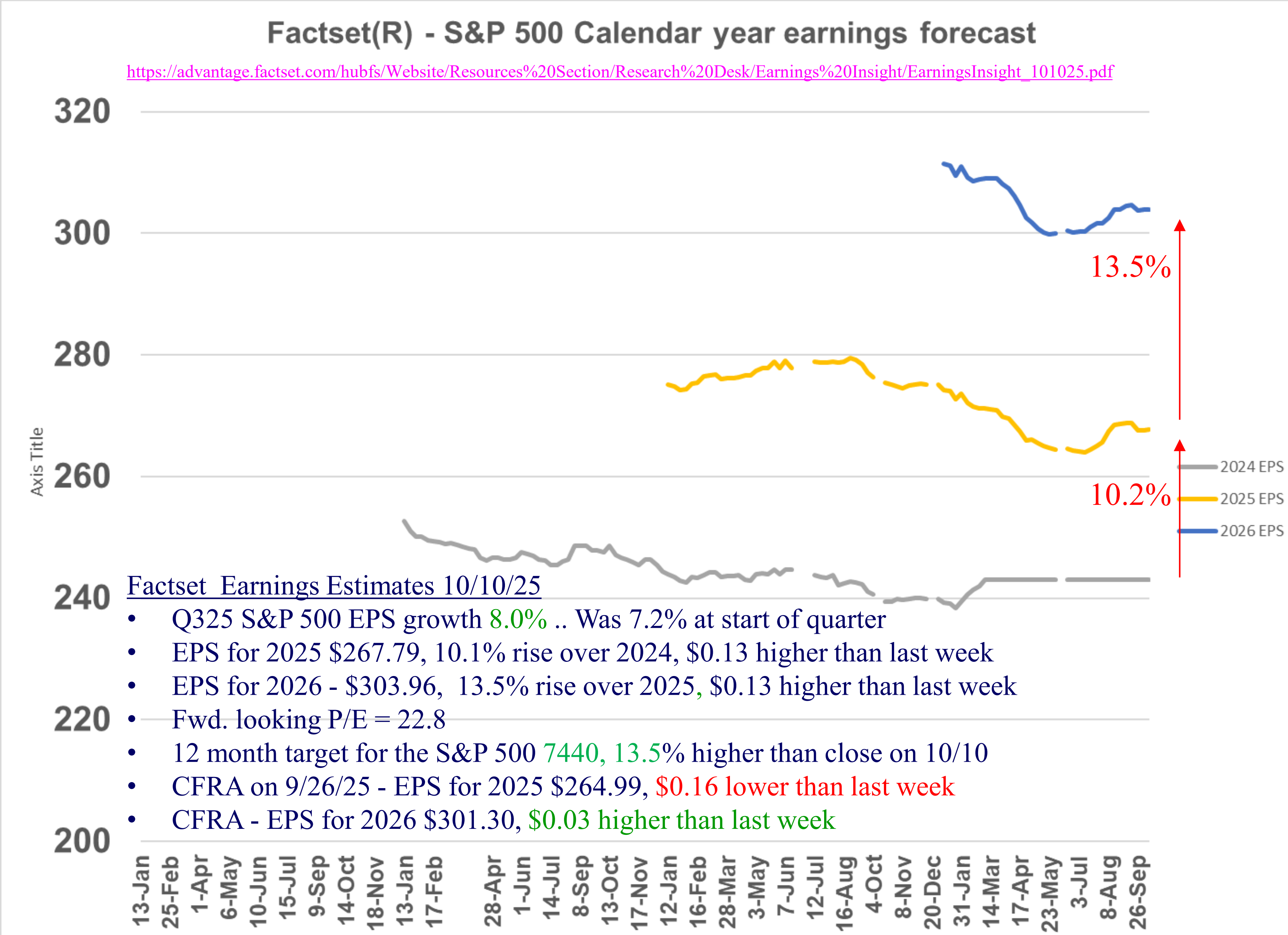
Ron, and I are not a financial advisors.

This course is for educational purposes only.

Form your own opinion, make your own investment decisions.

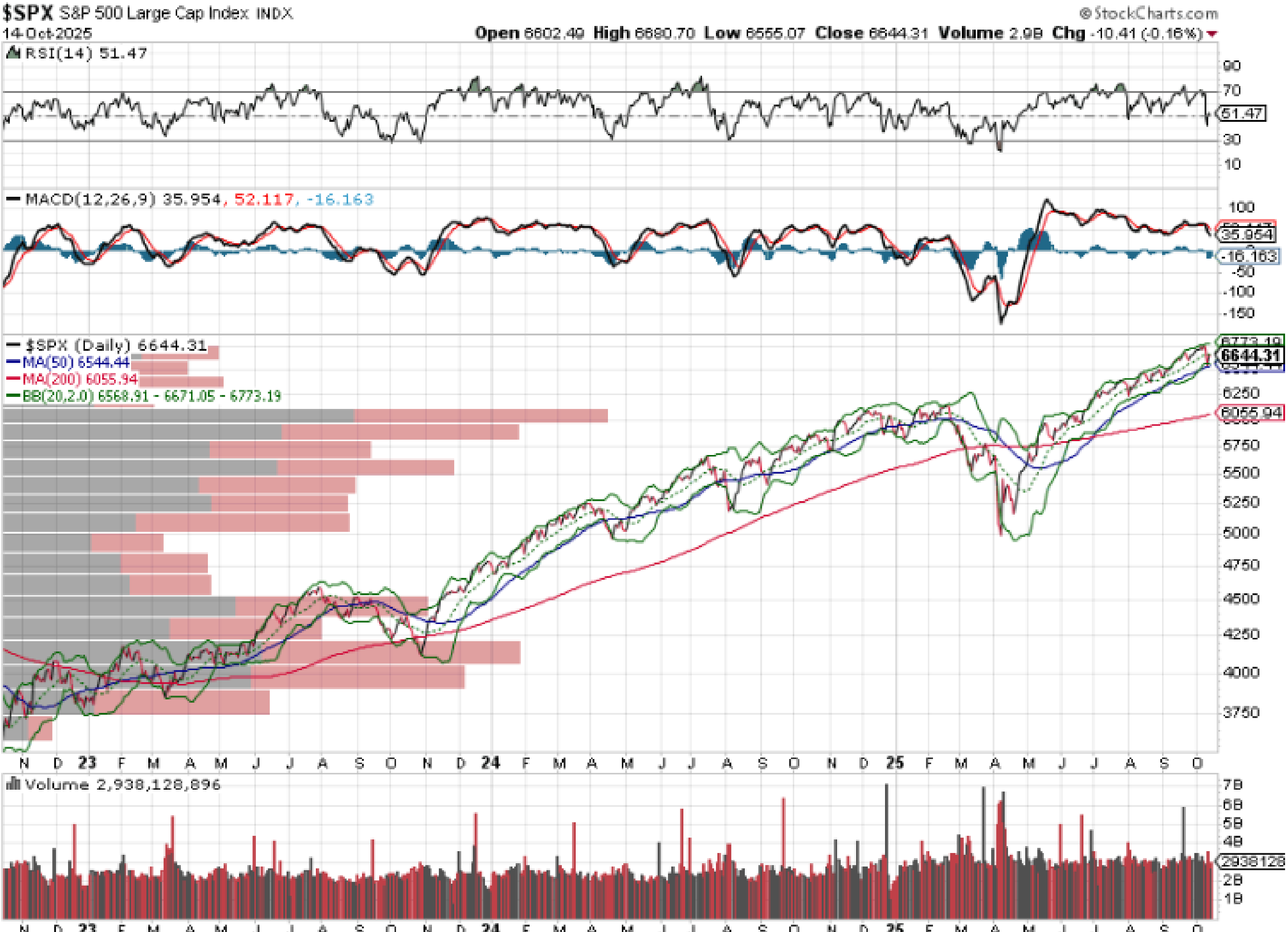
Seventh Class – Oct. 15th

- Market Update
- Deep Dive into ETFs and Mutual funds - Part 1
  - What is an ETF?
  - How does it work?
  - How is it different from a Mutual Fund
  - Performance criteria for an ETF
- Questions

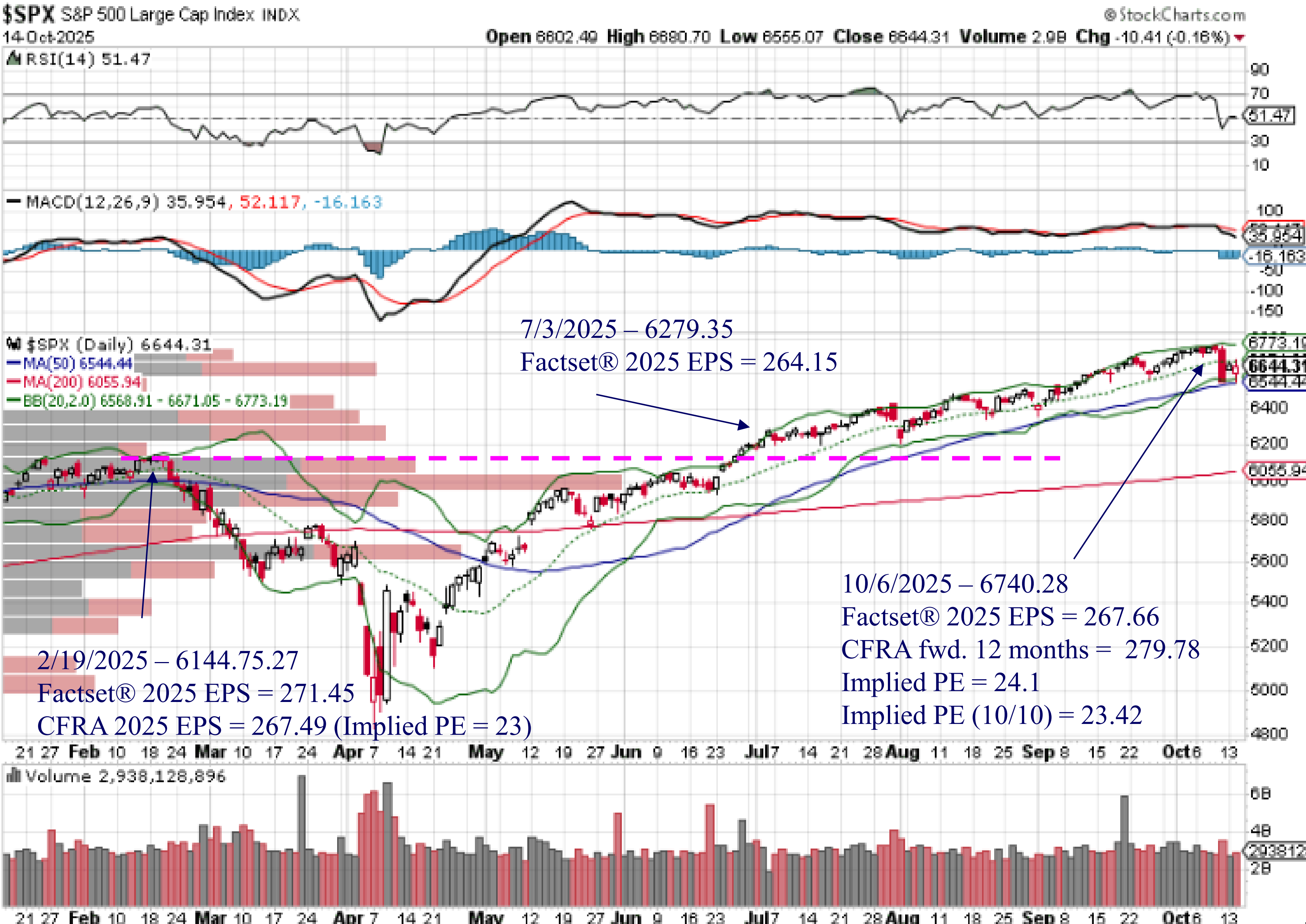


Factset Earnings Estimates 10/10/25

- Q325 S&P 500 EPS growth 8.0% .. Was 7.2% at start of quarter
- EPS for 2025 $267.79, 10.1% rise over 2024, $0.13 higher than last week
- EPS for 2026 - $303.96, 13.5% rise over 2025, $0.13 higher than last week
- Fwd. looking P/E = 22.8
- 12 month target for the S&P 500 7440, 13.5% higher than close on 10/10
- CFRA on 9/26/25 - EPS for 2025 $264.99, $0.16 lower than last week
- CFRA - EPS for 2026 $301.30, $0.03 higher than last week



$SPX S&P 500 Large Cap Index INDX
@StockCharts.com
14-Oct-2025
Open 6602.49 High 6680.70 Low 6555.07 Close 6644.31 Volume 2.9B Chg -10.41 (-0.16%)
RSI(14) 51.47
MACD(12,26,9) 35.954, 52.117, -16.163
$SPX (Daily) 6644.31
MA(50) 6544.44
MA(200) 6055.94
BB(20,2.0) 6568.91 - 6671.05 - 6773.19
Volume 2,938,128,896



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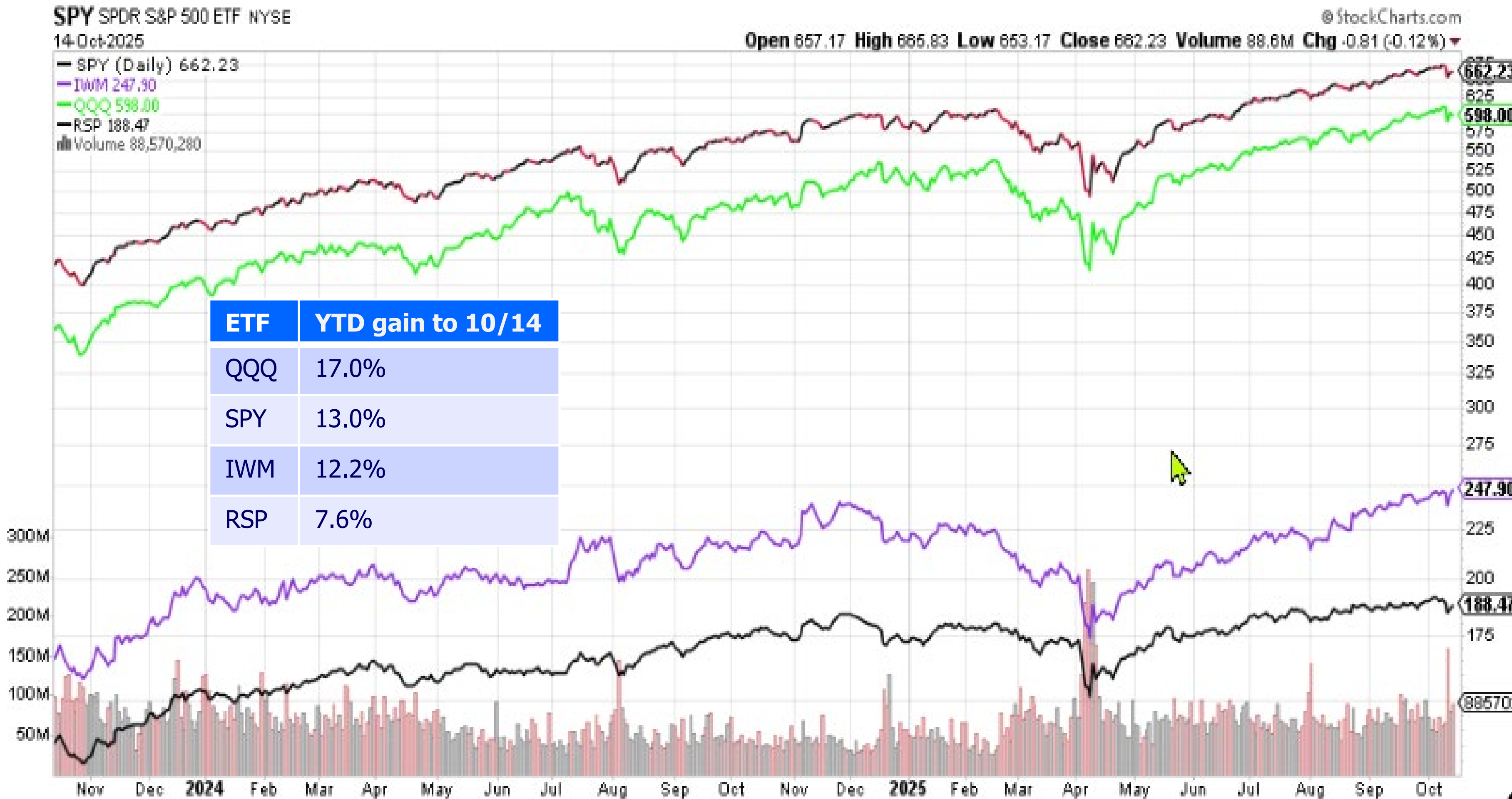
7/3/2025 – 6279.35
Factset® 2025 EPS = 264.15
2/19/2025 – 6144.75.27
Factset® 2025 EPS = 271.45
CFRA 2025 EPS = 267.49 (Implied PE = 23)
10/6/2025 – 6740.28
Factset® 2025 EPS = 267.66
CFRA fwd. 12 months = 279.78
Implied PE = 24.1
Implied PE (10/10) = 23.42
Volume 2,938,128,896

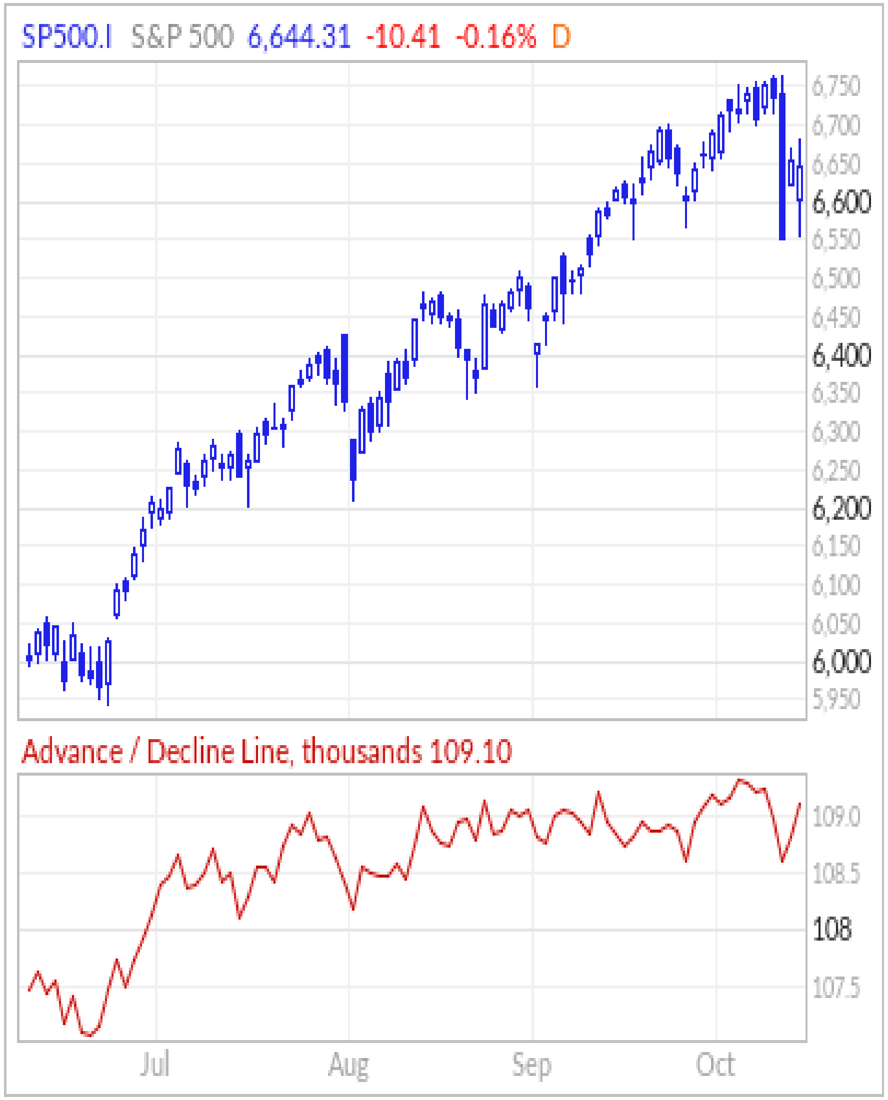
Market Breadth – another way



ETF	YTD gain to 10/14
QQQ	17.0%
SPY	13.0%
IWM	12.2%
RSP	7.6%


$NYAD NYSE - Advance-Decline Issues INDX
© StockCharts.com
14-Oct-2025
Open 59802.00 High 59802.00 Low 59802.00 Close 59802.00 Chg +896.00 (+1.52%)
$NYAD Cumulative 59802.00
MA(50) 58885.92
?
$SPX 6644.31

https://www.marketinout.com/chart/market.php?breadth=advance-decline-line



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Weekly Market direction

guywerner@verizon.net

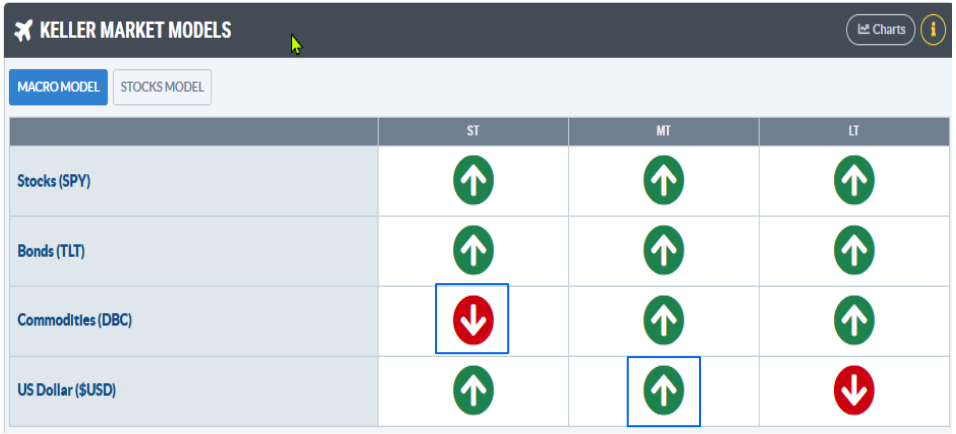
COLUMNS C,D AND E ARE FROM IBD AND PROVIDED BY DAVE (IN THE NORTH) SMITH			DISTRIBUTION DAYS		$INDU AVERAGE						S&P 500 TRIPLE SCREEN						NASDAQ TRIPLE SCREEN					
	DATE	MARKET PULSE (IBD)	S&P 500	NASDAQ	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE
SAT	09/27/25	FOR THE WEEK							-68	-0.15%					-21	-0.32%					-147	-0.65%
SUN	09/28/25	YTD							3,703	8.70%					762	12.96%					3,174	16.44%
MON	09/29/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,316	69	0.15%	P	0	P	6,661	18	0.27%	P	0	P	22,591	107	0.48%
TUE	09/30/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,397	81	0.17%	P	0	P	6,688	27	0.41%	P	0	P	22,660	69	0.31%
WED	10/01/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,441	44	0.09%	P	0	P	6,711	23	0.34%	P	0	P	22,755	95	0.42%
THUR	10/02/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,519	78	0.17%	P	0	P	6,715	4	0.06%	P	0	P	22,844	89	0.39%
FRI	10/03/25	CONFIRMED UP (80% -100%)	3	5	P	0	P	46,758	239	0.51%	P	0	P	6,715	0	0.00%	P	0	P	22,780	-64	-0.28%
SAT	10/04/25	FOR THE WEEK							511	1.10%					72	1.08%					296	1.32%
SUN	10/05/25	YTD							4,214	9.91%					834	14.18%					3,470	17.97%
MON	10/06/25	CONFIRMED UP (80% -100%)	3	4	P	0	P	46,694	-64	-0.14%	P	0	P	6,740	25	0.37%	P	P	P	22,941	161	0.71%
TUE	10/07/25	CONFIRMED UP (80% -100%)	3	4	P	0	P	46,602	-92	-0.20%	P	0	P	6,714	-26	-0.39%	P	0	P	22,788	-153	-0.67%
WED	10/08/25	CONFIRMED UP (80% -100%)	3	4	P	0	P	46,601	-1	0.00%	P	0	P	6,753	39	0.58%	P	0	P	23,043	255	1.12%
THUR	10/09/25	CONFIRMED UP (80% -100%)	5	4	P	0	P	46,358	-243	-0.52%	P	0	P	6,735	-18	-0.27%	P	0	P	23,024	-19	-0.08%
FRI	10/10/25	CONFIRMED UP (60% -80%)	5	5	0	F	F	45,479	-879	-1.90%	P	F	F	6,552	-183	-2.72%	P	F	F	22,204	-820	-3.56%
SAT	10/11/25	FOR THE WEEK							-1,279	-2.74%					-163	-2.43%					-576	-2.53%
SUN	10/12/25	YTD							2,935	6.90%					671	11.41%					2,894	14.99%
MON	10/13/25	CONFIRMED UP (60% -80%)	5	6	0	F	0	46,067	588	1.29%	P	F	P	6,654	102	1.56%	P	F	P	22,694	490	2.21%
TUE	10/14/25	CONFIRMED UP (60% -80%)	5	6	P	F	P	46,270	203	0.44%	P	F	P	6,644	-10	-0.15%	P	F	P	22,521	-173	-0.76%

https://drive.google.com/drive/folders/0B6Qc_gjpshXMclkzQ245d2R1eTQ?resourcekey=0-5pWglNqaJPJ12L2qYurMWg

Market Summary – Stockcharts®

Stockcharts.com → Main Screen → Market Analysis

New feature – Market Summary

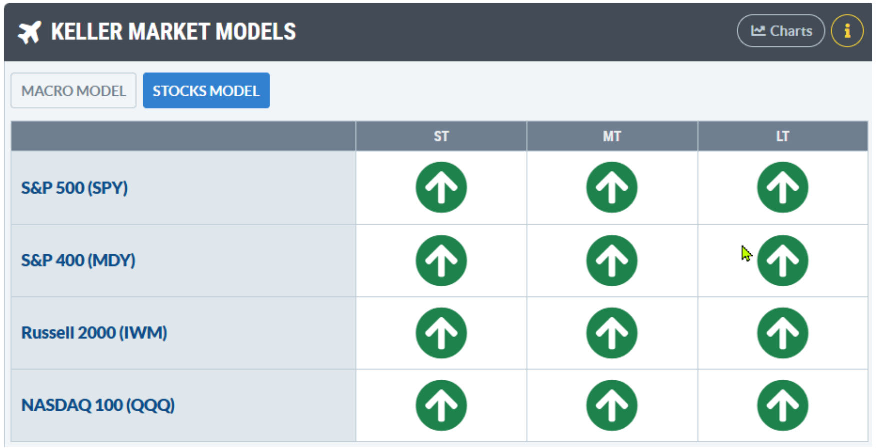


KELLER MARKET MODELS

Charts

MACRO MODEL | STOCKS MODEL

	ST	MT	LT
Stocks (SPY)	↑	↑	↑
Bonds (TLT)	↑	↑	↑
Commodities (DBC)	↓	↑	↑
US Dollar ($USD)	↑	↑	↓



KELLER MARKET MODELS

Charts

MACRO MODEL | STOCKS MODEL

	ST	MT	LT
S&P 500 (SPY)	↑	↑	↑
S&P 400 (MDY)	↑	↑	↑
Russell 2000 (IWM)	↑	↑	↑
NASDAQ 100 (QQQ)	↑	↑	↑

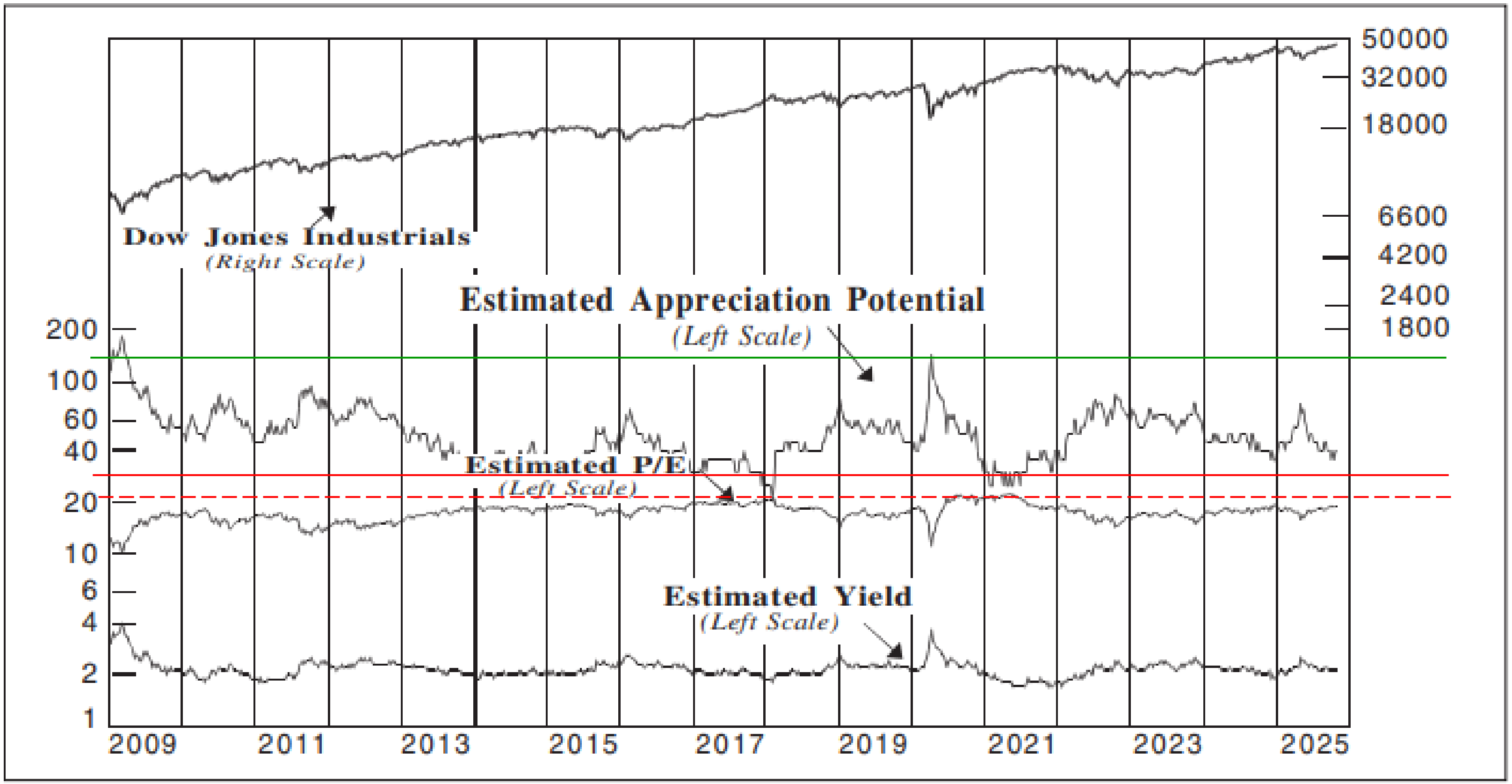
The Value Line Investment Survey

ISSUE 11
Pages 2057-2068

Value Line

Part 2 File in page order in the *Selection & Opinion* binder. | SELECTION & OPINION | October 17, 2025

VALUE LINE ESTIMATED P/E, YIELD, APPRECIATION POTENTIAL VERSUS DOW JONES INDUSTRIALS
(January 2, 2009–October 6, 2025)



US govt bonds – TLT & SGOV

SGOV – Short term 0 to 3 month US treasuries

U.S. Dollar

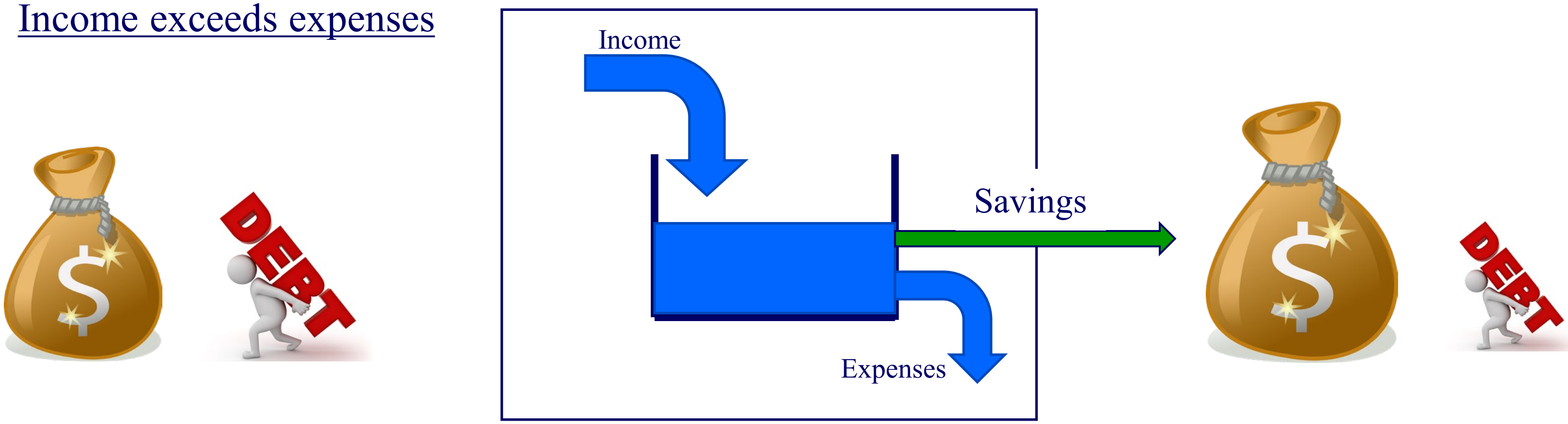
11% depreciation in the US dollar in YTD 2025
Next support is 6 to 8% lower.

<u>A drop in the dollar</u>

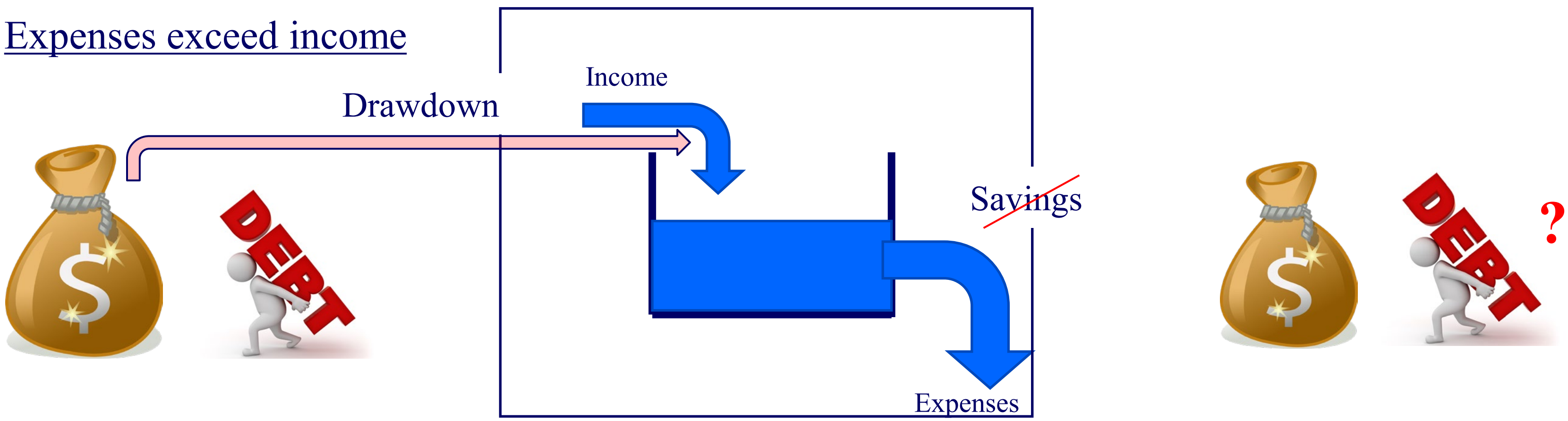
- Positive for Big tech
- Negative for reducing inflation from commodities
- Headwind for foreign investors in US equities
- Tailwind for US investors to invest abroad.

Adding to or drawing from assets ?

Income exceeds expenses



Expenses exceed income

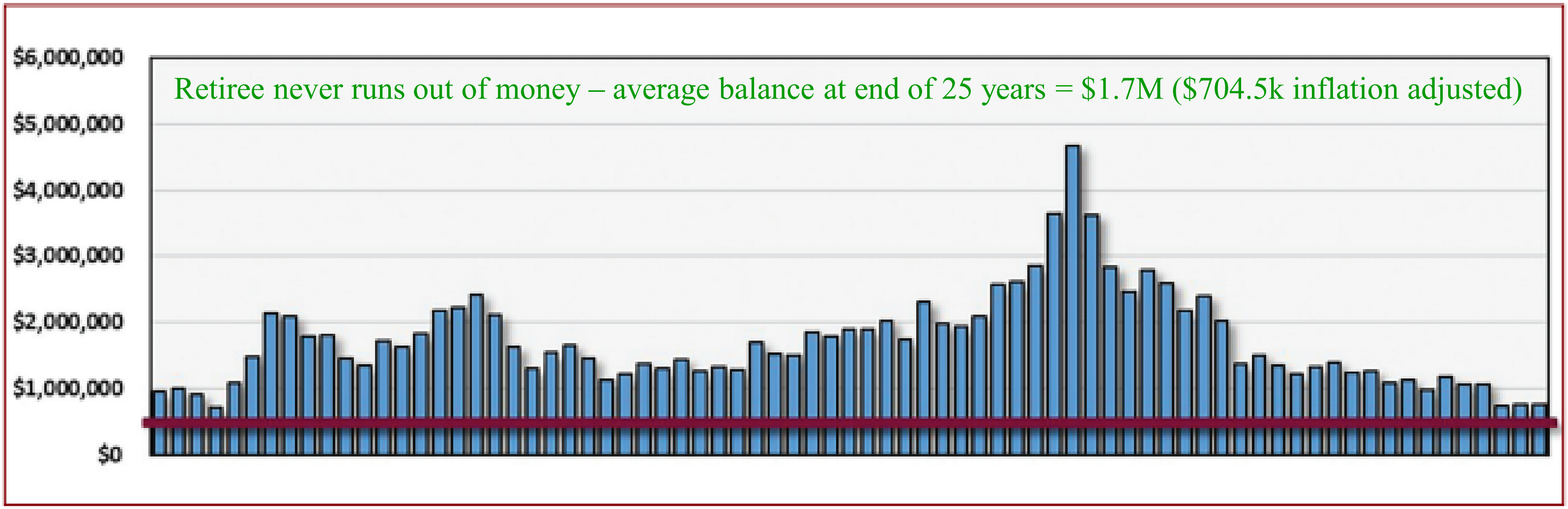


Withdrawing 4% of portfolio

- $500K portfolio invested 40% US LC, 20% US SC, 30% bonds & 10% Cash (ST bonds etc.)
- Expense ratio 0.5%
- Rolling 25-year periods 1926 to 2024 – 4% withdrawal of YE balance @ YE.

Figure 1: Ending Portfolio Balance in Each 25-Year Period

$500,000 starting balance, 4% annual withdrawal for 25 years

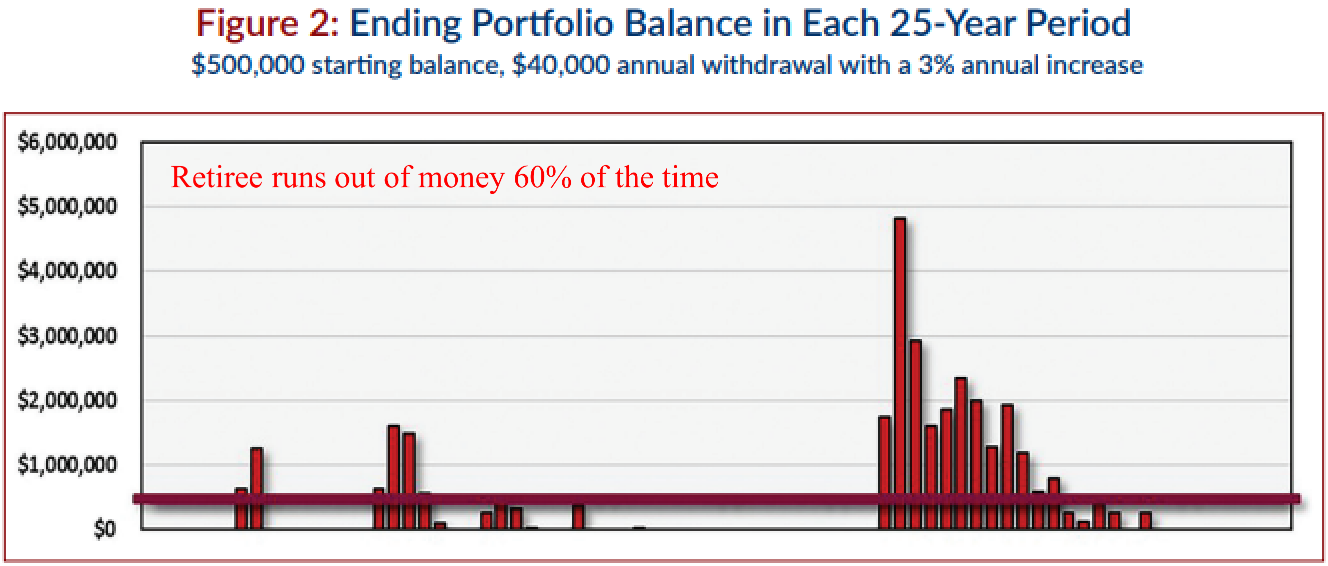


Money In – Money Out – Dr. Craig Israelsen (teaches financial planning at Utah State University)

26 BETTERINVESTING | AUGUST 2025 | FUNDAMENTALS OF INVESTING

Withdrawing set amounts each year

- Same portfolio and investment expense
- Rolling 25-year periods 1926 to 2024 – $40k drawn in year 1 and adjusted up by 3% for inflation each year @ YE.



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Withdrawing set amounts each year

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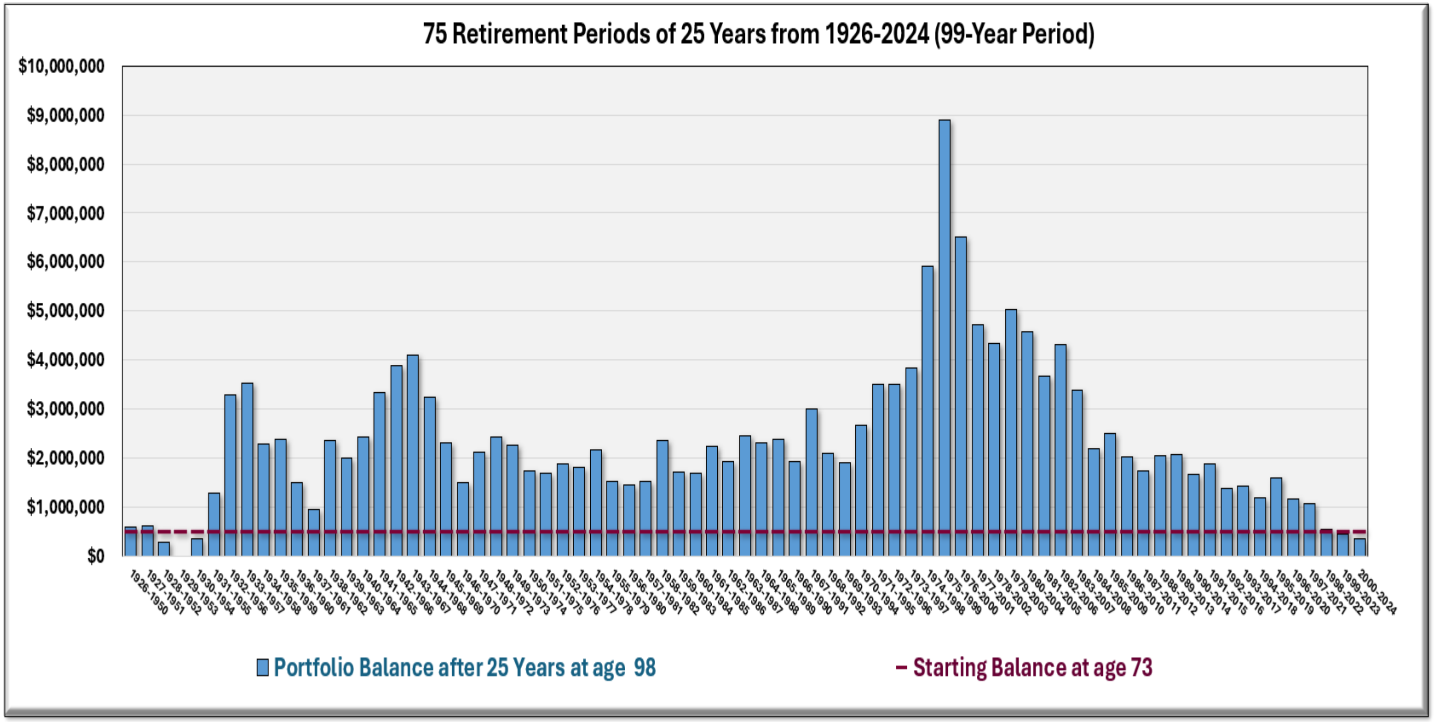
- Rolling 25-year periods 1926 to 2024 – $20k drawn in year 1 and adjusted up by 3% for inflation each year @ YE.

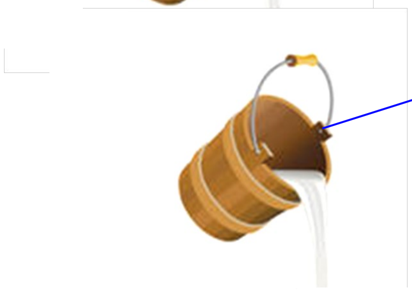


Dr. Craig Isrealsen (teaches financial planning at Utah State University)

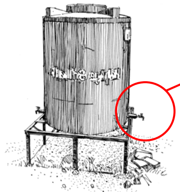
Three bucket approach

- Pioneer – Harold Evensky, Money manager in Florida.
- Good resource of information - Christine Benz, Morningstar
  - https://www.morningstar.com/retirement/how-retire-consider-retirement-bucket-portfolio-strategy

Bucket 3 – long term investing to grow the portfolio. Draw down to refill Bucket 2 periodically



Bucket 2 – shorter term investing. Enough to draw down to refill Bucket 1 for the next few years



Bucket 1 – draw out money for near term expenses

Buckets

Tax-managed accounts

Taxable accounts

Risk to Principal

- Maximizing after tax growth is primary goal
- Long time horizon minimizes risk to principal

- Size of buckets depends on each individual's situation
- Goal is to have an allocation strategy that sizes risk correctly for each person's situation.

Opportunity Cost

- Protection of principal is primary goal
- Smallest size minimizes lowering of return for portfolio

shortest   Time horizon for investment strategy   longest

Seventh Class – Oct. 15th

- Market Update
- Deep Dive into ETFs and Mutual funds - Part 1
  - What is an ETF?
  - How does it work?
  - How is it different from a Mutual Fund
  - Performance criteria for an ETF
- Questions

Funds and ETFs

- Mutual Funds and ETFs
  - What are they?
  - How do they work?
  - How do you buy them?
- Pre-reading if you have time
  - Investopedia links:
- https://www.investopedia.com/terms/m/mutualfund.asp
- https://www.investopedia.com/terms/e/etf.asp
- https://www.investopedia.com/ask/answers/09/mutual-fund-etf.asp
- https://www.investor.gov/sites/investorgov/files/2020-04/mutual-funds-ETFs_2_0.pdf

What is a Fund?

- A pool of money (Company) that is invested in a portfolio of investments. Run by a bank or a financial company.
- Portfolio can be equities in
  - A market
  - A sector
  - A strategy
  - Etc.
- Investors can invest in the Fund and get exposure to the entire portfolio
  - Investors own a fraction of the portfolio.

Funds –

- Funds are regulated by the govt.
  - SEC
  - Investment Company Act of 1940
- Who offers them
  - State Street, Blackrock
  - JP Morgan, etc.
  - Vanguard, Fidelity etc.
  - Many others
- US registered ETFs $ 7t AUM … Mutual Funds $27t AUM
  - Less than 5% actively managed
  - Data from statista.com end of 2021

https://www.marketwatch.com/tools/mutual-fund/top25largest

Largest Mutual Funds

Rank	Symbol	Fund Name
1	VSMPX	Vanguard Total Stock Market Index Fund;Institutional Plus
2	FXAIX	Fidelity 500 Index Fund
3	VFIAX	Vanguard 500 Index Fund;Admiral
4	VTSAX	Vanguard Total Stock Market Index Fund;Admiral
5	SPAXX	Fidelity Government Money Market Fund
6	VMFXX	Vanguard Federal Money Market Fund;Investor
7	SWVXX	Schwab Prime Advantage Money Fund;Inv
8	VGTSX	Vanguard Total International Stock Index Fund;Investor
9	FDRXX	Fidelity Government Cash Reserves
10	FRGXX	Fidelity Instl Government Portfolio;Institutional
11	FGTXX	Goldman Sachs FS Government Fund;Institutional
12	VIIIX	Vanguard Institutional Index Fund;Inst Plus
13	OGVXX	JPMorgan US Government Money Market Fund;Capital
14	FCTDX	Fidelity Strategic Advisers Fidelity US Total Stk
15	VTBNX	Vanguard Total Bond Market II Index Fund;Institutional
16	AGTHX	American Funds Growth Fund of America;A
17	FCNTX	Fidelity Contrafund
18	TFDXX	BlackRock Liquidity FedFund;Institutional
19	VTBIX	Vanguard Total Bond Market II Index Fund;Investor
20	GVMXX	State Street US Government Money Market Fund;Prem
21	TTTXX	BlackRock Liquidity Treasury Trust Fund;Institutional
22	CJTXX	JPMorgan 100% US Treasury Securities Money Market Fund;Capital
23	MVRXX	Morgan Stanley Inst Liq Government Port;Institutional
24	SNAXX	Schwab Prime Advantage Money Fund;Ultra
25	SWPPX	Schwab S&P 500 Index Fund

AUM 817.6 B
Min $100 million
Exp. Ratio 0.02%

AUM 606.9 B
Min $3000
Exp. Ratio 0.04%

Largest ETFs

https://etfdb.com/compare/market-cap/

Symbol	Name	AUM	Avg Daily Share Volume (3mo)
VOO	Vanguard S&P 500 ETF	$764,915,000.00	7,078,584
IVV	iShares Core S&P 500 ETF	$703,319,000.00	5,722,872
SPY	SPDR S&P 500 ETF Trust	$675,814,000.00	70,303,750
VTI	Vanguard Total Stock Market ETF	$549,955,000.00	3,666,118
QQQ	Invesco QQQ Trust Series I	$384,228,000.00	46,989,512
VUG	Vanguard Growth ETF	$195,703,000.00	942,600
VEA	Vanguard FTSE Developed Markets ETF	$179,787,000.00	11,579,434
IEFA	iShares Core MSCI EAFE ETF	$156,329,000.00	10,635,078
VTV	Vanguard Value ETF	$149,553,000.00	2,861,183
BND	Vanguard Total Bond Market ETF	$139,351,000.00	6,455,396
AGG	iShares Core U.S. Aggregate Bond ETF	$132,123,000.00	8,083,752
GLD	SPDR Gold Shares	$126,409,000.00	10,855,109
IWF	iShares Russell 1000 Growth ETF	$122,735,000.00	1,028,143
IEMG	iShares Core MSCI Emerging Markets ETF	$110,888,000.00	9,770,393
VGT	Vanguard Information Technology ETF	$109,700,000.00	465,423
VXUS	Vanguard Total International Stock ETF	$107,989,000.00	4,208,667
VWO	Vanguard FTSE Emerging Markets ETF	$102,899,000.00	8,498,275
IJH	iShares Core S&P Mid-Cap ETF	$100,200,000.00	7,117,722
VIG	Vanguard Dividend Appreciation ETF	$98,394,600.00	848,063
XLK	Technology Select Sector SPDR Fund	$91,187,600.00	7,507,892

$3.1 t

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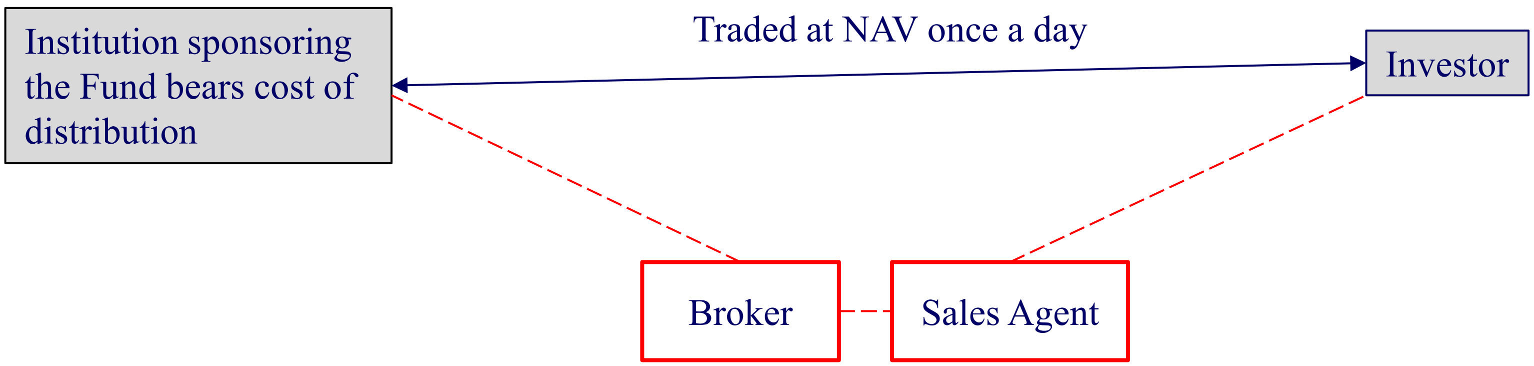
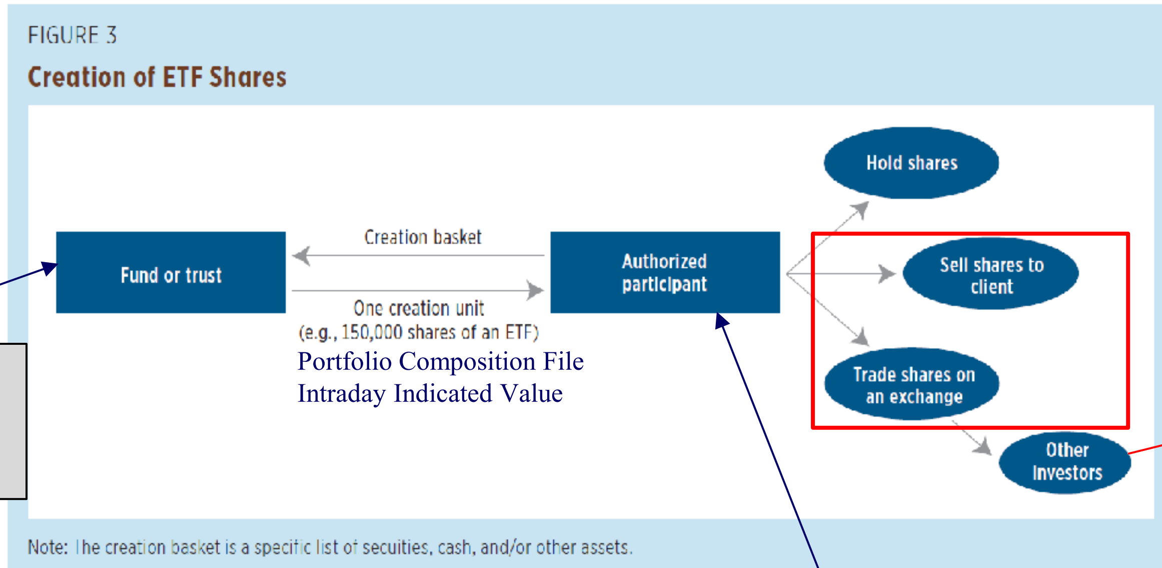
How a Mutual Fund works



ETF?

- Hybrid – Investment features of Mutual funds married to trading features of common stocks.
  - Like a mutual fund, an investor owns a proportional interest in pooled assets.
  - Generally managed by an investment company for a fee.
  - Regulated by the Investment Company Act of 1940.
  - Traded in continuous markets on global stock exchanges – continuous pricing and liquidity throughout the trading day.
- Over 8000 global ETFs, over 2600 in the US (not updated)

How an ETF works



Institution sponsoring the ETF does not distribute

Traded all day long like a stock

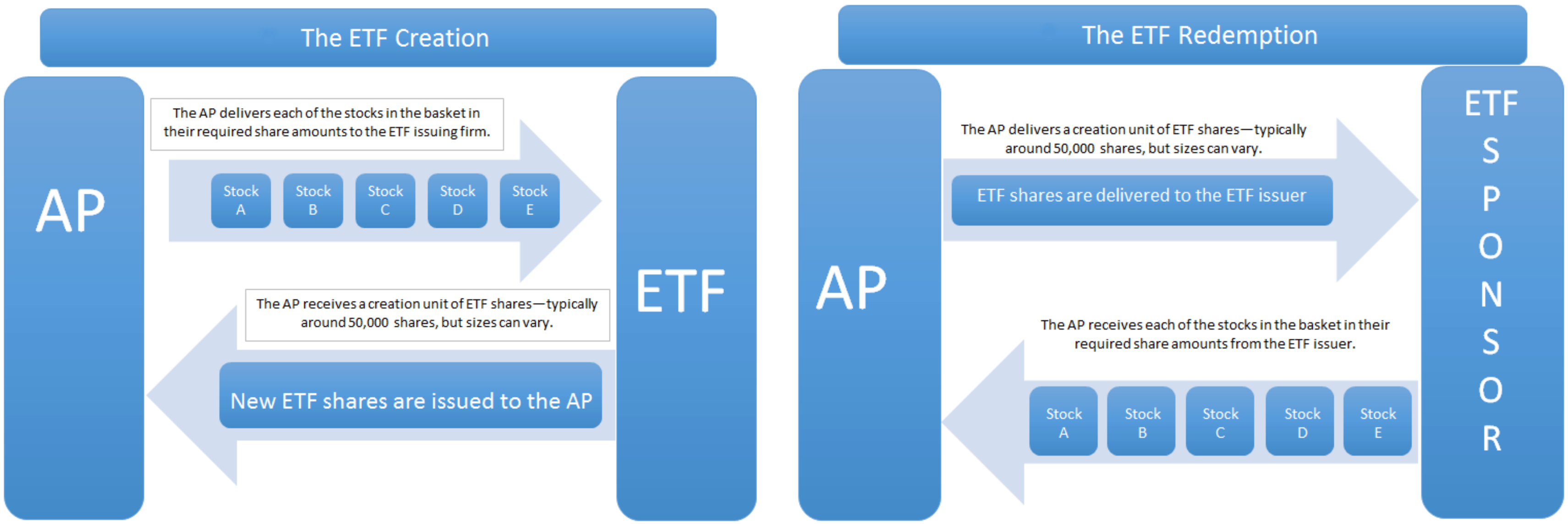
large market maker or institution with a ETF trading desk. Make profits through arbitrage of the ETF NAV vs. underlying assets and through trading commissions and fees in the secondary market.

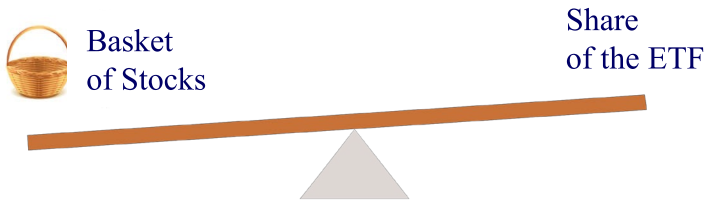
How ETFs work - Investment Company Institute

https://www.ici.org/etf_resources/background/explain_18_etfs

https://www.ici.org/etf_resources/background/faqs_etfs

Arbitrage





https://www.etf.com/etf-education-center/etf-basics/what-is-the-creationredemption-mechanism

ETFs – Pros and Cons

Pros	Cons
Like an individual stock – tradeable intraday, go long or short, optionable, marginable etc.	An ETF for anything – makes unfamiliar markets accessible to novices.
Lower expenses – no distribution expense, passive strategies.	Transaction Costs, Bid/Ask Spreads
Transparency – portfolio, price discovery	
Less taxable distributions, more investor control on taxes.	
Investment or redemption by one investor does not impact others directly.	
No minimum investments.	

How an investor benefits

- Dividend payments
  - Funds pay all dividends minus costs back to investors
  - Taxable for the investor
- Capital Gains/Losses
  - When a fund makes a gain or a loss by selling shares, it must pass the gain/loss minus costs back to the investor.
  - Happens regularly for a Mutual Fund .. Not for an ETF
  - Taxable for the Investor
- Gain or loss from buying and selling the fund shares for the investor
  - Investor makes a gain or loss from buying and selling
  - Taxable for the investor

Fees and Expenses

Mutual Funds

- Management (12-b-1) fees
- Sales or Redemption Loads
  - Fees earned by sales agent
- Account Management fees

Vary by share class (?)
Often based on investment size

ETFs

- Management (12-b-1) fees
- ~~Trade commissions by broker~~
- Bid – Ask spread

What do you want in a Fund?

- Reputable Sponsor
- Liquidity
- Delivers exposure to the asset class / index you want exposure to
  - Fits your asset allocation plan
  - Matches performance of the asset class
- Low Expense Ratio and transaction fees
- Rated well by rating agencies

Sources of information for ETFs

- Morningstar
  - Paid subscription gives access to more content including medalist funds etc.
  - 2 part rating system – Stars for prior performance; Medals for future outlook
- AAII ETF database
  - Annual list of ETFs and performance (requires membership)
- Your Brokers website
  - ETF prospectus
  - ETF selection tools
  - ETF comparison tools
  - CFRA or other analyst reports on ETFs
- https://etfdb.com/
  - ETF database website – a lot of free information
  - Paid subscription provides more

Eighth Class – Oct. 15th

- Market Update
- Deep Dive into ETFs and Mutual funds - Part 2
  - Performance metrics
  - Risk
  - ETFs for various asset classes & strategies
- Questions

Thanks !!

- Happy Investing !!

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