

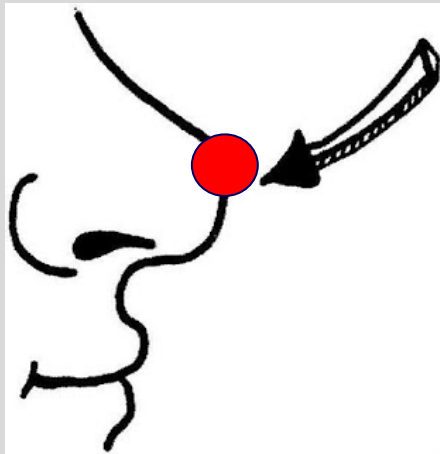
Investing for Successful Retirement

UD Osher – OLLI
Spring 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 – Mar. 19th

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

Factset(R) - S&P 500 Calendar year earnings forecast

320

https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_031425.pdf

Factset Earnings Estimates 3/14/25

- Q125 S&P 500 EPS growth **7.1%** .. Was 7.3 % las week and 11.9% on Jan. 3rd.
- EPS for 2025 - **\$271.05**, \$0.15 lower than 3/7
- Fwd. looking P/E = 19.9, below 20 for the first time since May 3rd 2024
- Calculated P/E/G would be $19.9/12.75 = 1.55$
- 12-month target for the S&P 500 **6926**, **22.8%** higher than close on 3/14
- Highest number of companies mentioning AI in Q4 calls.

14.2%

280

260

11.5%

240

- CFRA data on 3/14 - EPS for 2024 **\$243.98**, EPS for 2025 **\$267.21** Calculated Fwd. P/E = 21.1
- Predicted 2025 EPS growth of 9.5% , 2026 EPS growth of 14.2%
- Calculated PEG = 1.8

220

200

13-Jan 18-Feb 18-Mar 14-Apr 13-May 10-Jun 8-Jul 5-Aug 23-Sep 21-Oct 18-Nov 6-Jan 3-Feb 3-Mar 31-Mar 28-Apr 26-May 30-Jun 28-Jul 15-Sep 13-Oct 10-Nov 15-Dec 26-Jan 29-Feb 28-Mar 26-Apr 24-May 21-Jun 19-Jul 16-Aug 27-Sep 25-Oct 22-Nov 3-Jan 31-Jan 7-Mar

— 2024 EPS
— 2025 EPS
— 2026 EPS

▲ RSI(14) 37.45

— MACD(12,26,9) -109.811, -92.636, -17.175

— \$SPX (Daily) 5614.66

— MA(50) 5933.44

— MA(200) 5743.87

— BB(20,2,0) 5446.21 - 5810.04 - 6173.87

6129.58 to 5500 in 17 trading days

5200 is next support

Volume 2,867,526,656

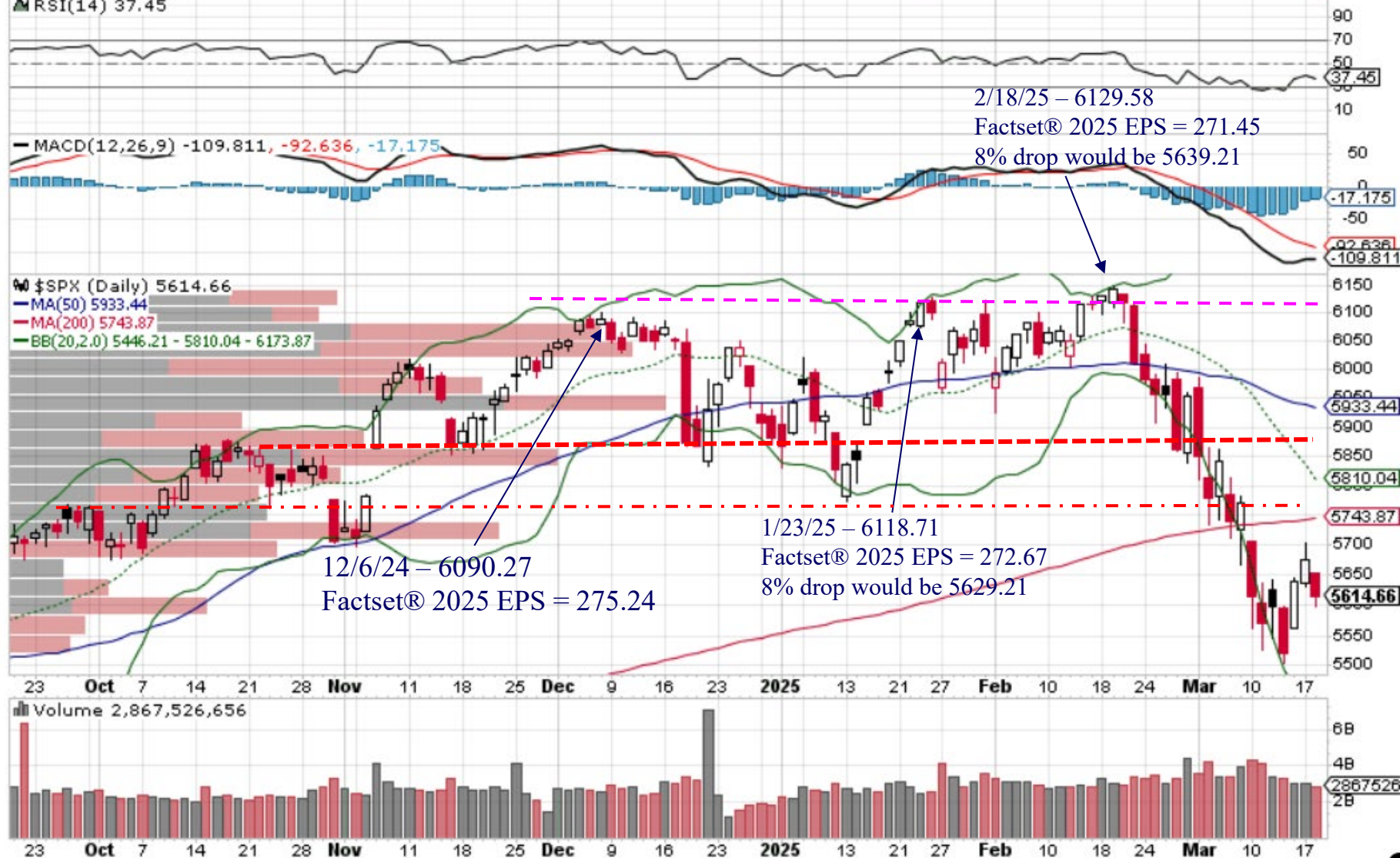
\$SPX S&P 500 Large Cap Index INDX

18-Mar-2025

Open 5654.53 High 5654.53 Low 5597.76 Close 5614.66 Volume 2.98 Chg -60.46 (-1.07%)

© StockCharts.com

▲ RSI(14) 37.45



\$SPX S&P 500 Large Cap Index INDEX
18-Mar-2025

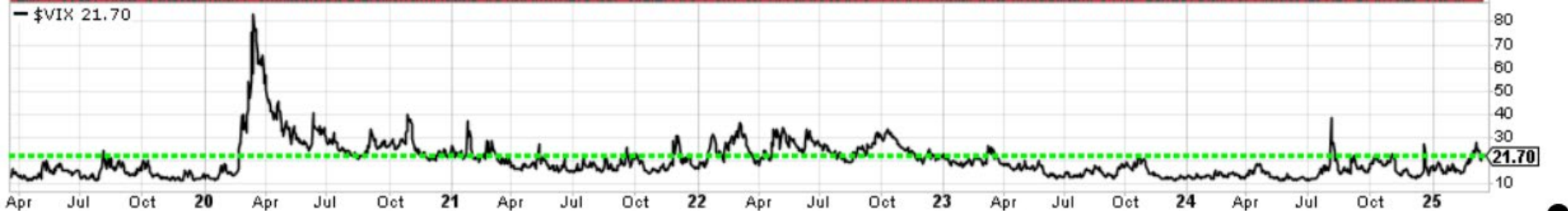
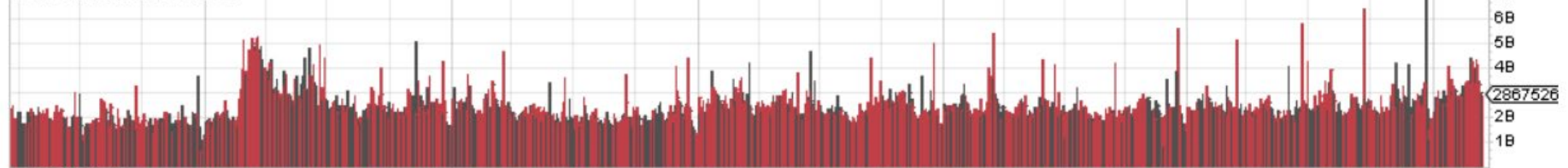
© StockCharts.com

Open 5654.53 High 5654.53 Low 5597.76 Close 5614.66 Volume 2.9B Chg -80.46 (-1.07%) ▼

— \$SPX (Daily) 5614.66
— MA(50) 5933.44
— MA(200) 5743.87



Volume 2,867,526,656



Market Breadth – another way

SPY SPDR S&P 500 ETF NYSE

18-Mar-2025

— SPY (Daily) 561.02

— IWM 203.21

— QQQ 474.54

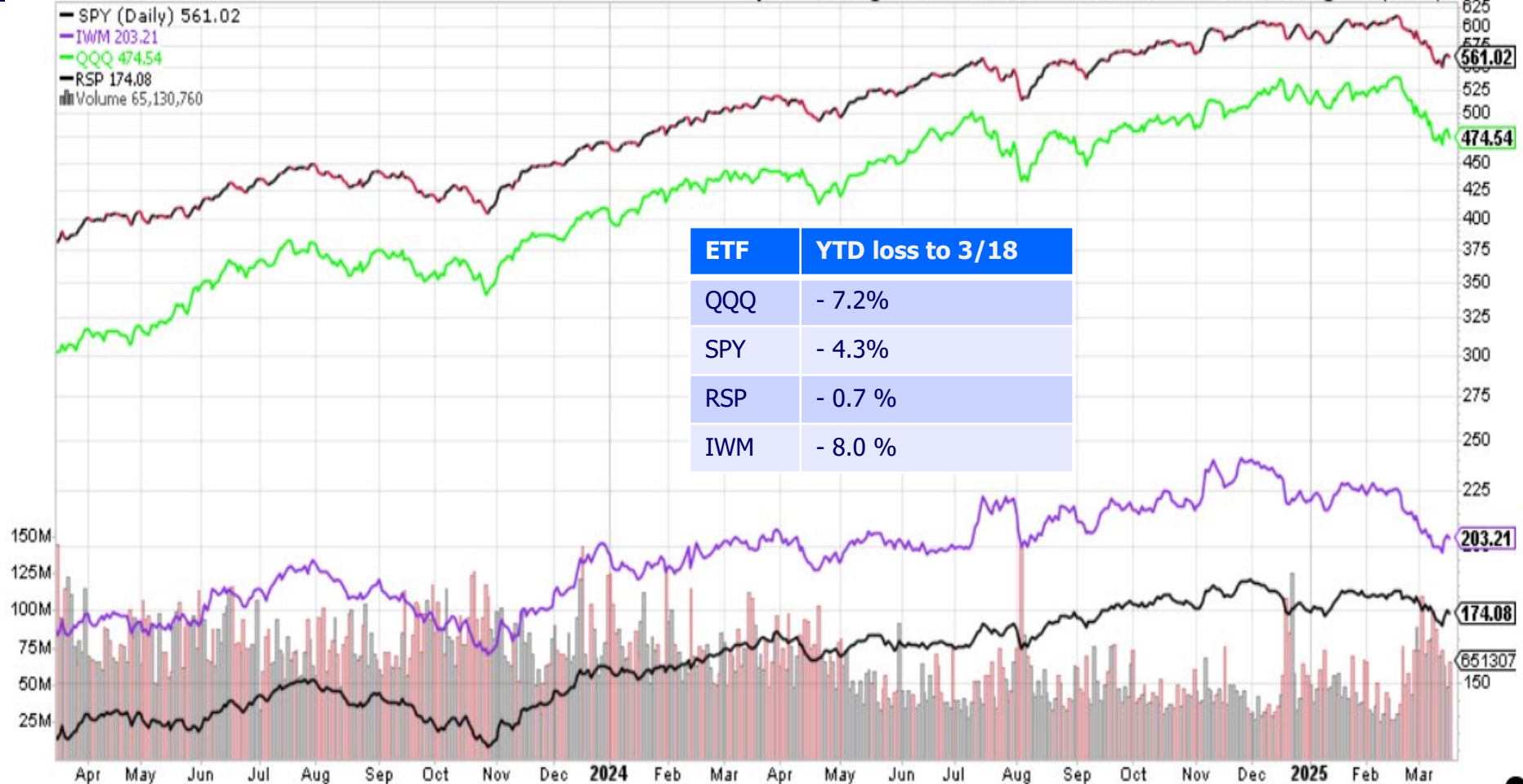
— RSP 174.08

Volume 65,130,760

Open 564.80 High 565.02 Low 559.06 Close 561.02 Volume 65.1M Chg -6.13 (-1.08%)

© StockCharts.com

ETF	YTD loss to 3/18
QQQ	- 7.2%
SPY	- 4.3%
RSP	- 0.7 %
IWM	- 8.0 %



18-Mar-2025

Open 41262.00 High 41262.00 Low 41262.00 Close 41262.00 Chg -886.00 (-2.10%)







This is NOT investment advice

Weekly market direction

Prof. Guy Werner

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COLUMNS CD&E ARE FROM IBD AND ARE PROVIDED BY DAVE (IN THE NORTH) SMITH

COLUMNS C,D AND E ARE FROM IBD AND PROVIDED BY DAVE (IN THE NORTH) SMITH			DISTRIBUTION DAYS		S&P 500 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	03/01/25	FOR THE WEEK						412	0.95%						-59	-0.98%					-677	-3.47%
SUN	03/02/25	YTD						1,296	3.05%						73	1.24%					-463	-2.40%
MON	03/03/25	MARKET IN CORRECTION (0% -20%)			F	F	F	43,191	-649	-1.48%	F	F	F	5,849	-105	-1.76%	F	F	F	18,350	-497	-2.64%
TUE	03/04/25	MARKET IN CORRECTION (0% -20%)			F	F	F	42,520	-671	-1.55%	F	F	F	5,778	-71	-1.21%	F	F	F	18,286	-64	-0.35%
WED	03/05/25	MARKET IN CORRECTION (0% -20%)			F	F	F	43,006	486	1.14%	F	F	F	5,842	64	1.11%	F	F	F	18,552	266	1.45%
THUR	03/06/25	MARKET IN CORRECTION (0% -20%)			F	F	F	42,579	-427	-0.99%	F	F	F	5,738	-104	-1.78%	F	F	F	18,069	-483	-2.60%
FRI	03/07/25	MARKET IN CORRECTION (0% -20%)			F	F	F	42,801	222	0.52%	F	F	F	5,770	32	0.56%	F	F	F	18,196	127	0.70%
SAT	03/08/25	FOR THE WEEK						-1,039	-2.37%						-184	-3.09%					-651	-3.45%
SUN	03/09/25	YTD						257	0.60%						-111	-1.89%					-1,114	-5.77%
MON	03/10/25	MARKET IN CORRECTION (0% -20%)			F	F	F	41,911	-890	-2.08%	F	F	F	5,614	-156	-2.70%	F	F	F	17,468	-728	-4.00%
TUE	03/11/25	MARKET IN CORRECTION (0% -20%)			F	F	F	41,433	-478	-1.14%	F	F	F	5,572	-42	-0.75%	F	F	F	17,436	-32	-0.18%
WED	03/12/25	MARKET IN CORRECTION (0% -20%)			F	F	F	41,350	-83	-0.20%	F	F	F	5,599	27	0.48%	F	F	F	17,648	212	1.22%
THUR	03/13/25	MARKET IN CORRECTION (0% -20%)			F	F	F	40,813	-537	-1.30%	F	F	F	5,521	-78	-1.39%	F	F	F	17,303	-345	-1.95%
FRI	03/14/25	MARKET IN CORRECTION (0% -20%)			F	F	F	41,488	675	1.65%	F	F	F	5,638	117	2.12%	F	F	F	17,754	451	2.61%
SAT	03/15/25	FOR THE WEEK						-1,313	-3.07%						-132	-2.29%					-442	-2.43%
SUN	03/16/25	YTD						-1,056	-2.48%						-243	-4.13%					-1,556	-8.06%
MON	03/17/25	MARKET IN CORRECTION (0% -20%)			F	F	F	41,841	353	0.85%	F	F	F	5,675	37	0.66%	F	F	F	17,808	54	0.30%
TUE	03/18/25	MARKET IN CORRECTION (0% -20%)			F	F	F	41,581	-260	-0.62%	F	F	F	5,614	-61	-1.07%	F	F	F	17,504	-304	-1.71%

https://drive.google.com/drive/folders/0B6Qc_gipshXMclKzQ245d2R1eTQ?resourcekey=0-5pWglNqaJPJ12L2qYurMWg

TLT – 20+ yr U.S. Treasury ETF

TLT iShares 20+ Year Treasury Bond ETF Nasdaq GM

18-Mar-2025

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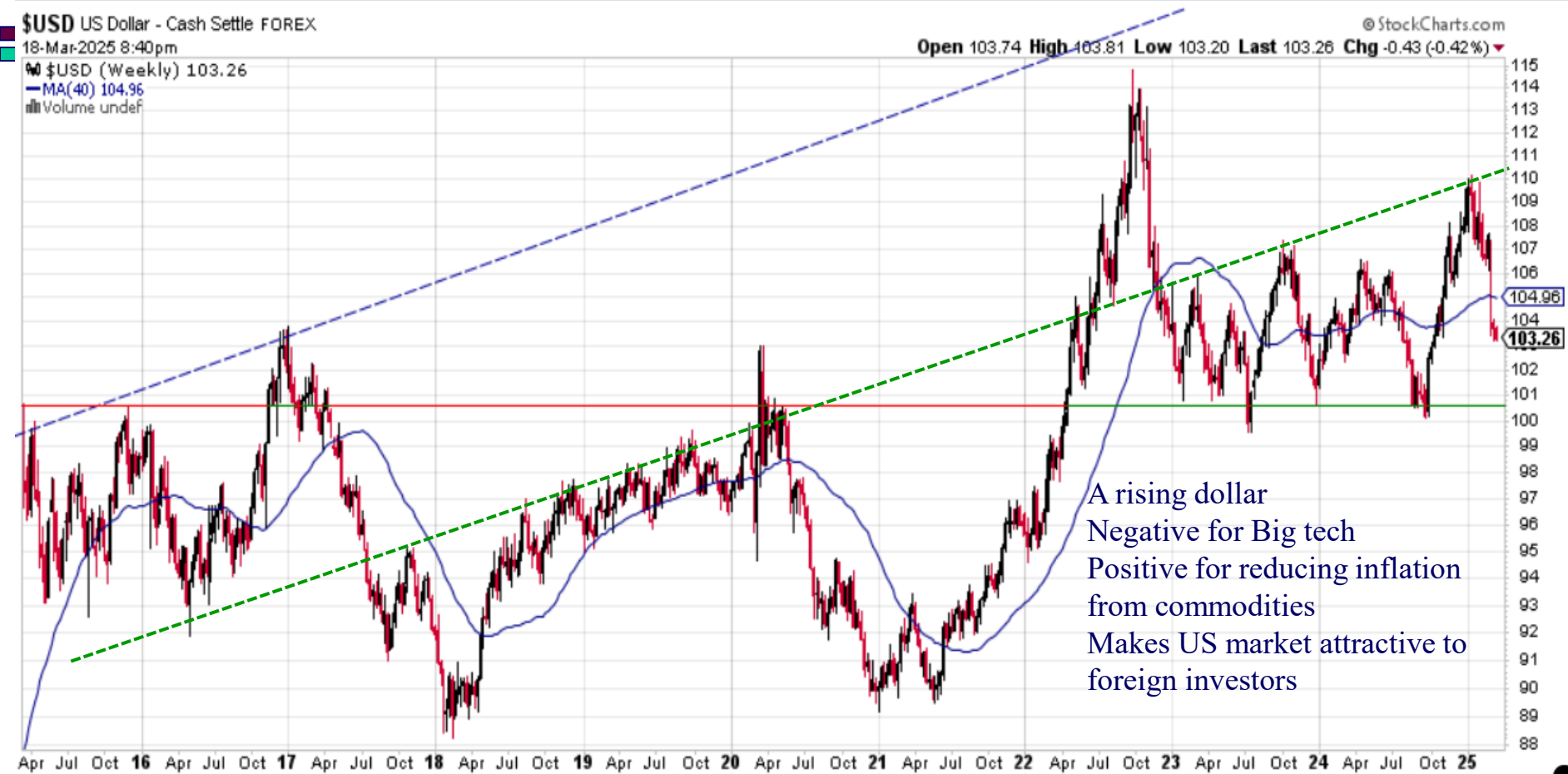
Open 90.14 High 91.02 Low 90.12 Close 90.71 Volume 22.3M Chg +0.09 (+0.10%) ▲

TLT (Daily) 90.71

Volume 22,256,976



U.S. Dollar



<https://ticdata.treasury.gov/resource-center/data-chart-center/tic/Documents/shla2023r.pdf>

Seventh Class – Mar. 19th

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

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

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

AUM 730.5 B

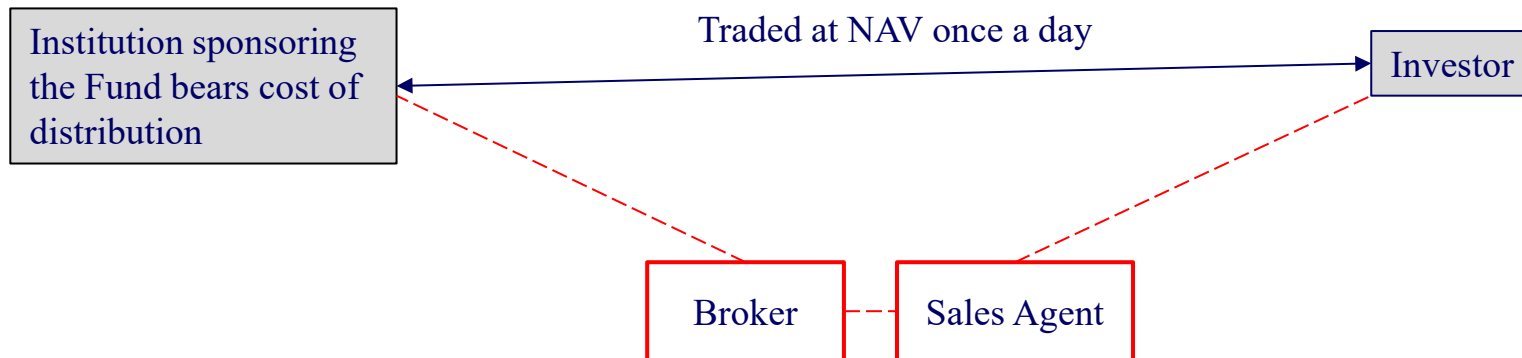
Higher min investment
Lower expense ratio

Largest ETFs

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

Symbol	Name	AUM	Avg Daily Share Volume (3mo)
SPY	SPDR S&P 500 ETF Trust	\$600,614,000.00	56,448,801
VOO	Vanguard S&P 500 ETF	\$594,751,000.00	6,926,426
IVV	iShares Core S&P 500 ETF	\$556,380,000.00	7,362,918
VTI	Vanguard Total Stock Market ETF	\$440,474,000.00	3,591,115
QQQ	Invesco QQQ Trust Series I	\$301,058,000.00	36,571,055
VEA	Vanguard FTSE Developed Markets ETF	\$145,064,000.00	13,230,992
VUG	Vanguard Growth ETF	\$145,031,000.00	1,428,649
VTV	Vanguard Value ETF	\$130,996,000.00	2,593,687
IEFA	iShares Core MSCI EAFE ETF	\$128,314,000.00	10,693,864
BND	Vanguard Total Bond Market ETF	\$126,902,000.00	6,939,282
AGG	iShares Core U.S. Aggregate Bond ETF	\$124,697,000.00	8,502,787
IWF	iShares Russell 1000 Growth ETF	\$96,518,500.00	1,637,248
IJH	iShares Core S&P Mid-Cap ETF	\$88,753,700.00	9,584,298
GLD	SPDR Gold Shares	\$85,142,200.00	7,773,654
VIG	Vanguard Dividend Appreciation ETF	\$85,141,100.00	1,268,479
IEMG	iShares Core MSCI Emerging Markets ETF	\$83,115,700.00	9,891,488
VXUS	Vanguard Total International Stock ETF	\$82,505,500.00	4,254,744
VWO	Vanguard FTSE Emerging Markets ETF	\$82,038,600.00	8,914,087
IJR	iShares Core S&P Small-Cap ETF	\$78,293,100.00	4,379,515
VGT	Vanguard Information Technology ETF	\$77,546,800.00	646,603
VO	Vanguard Mid-Cap ETF	\$71,636,400.00	716,972
RSP	Invesco S&P 500® Equal Weight ETF	\$71,161,200.00	8,301,326
SCHD	Schwab US Dividend Equity ETF	\$68,355,800.00	16,197,217
XLK	Technology Select Sector SPDR Fund	\$65,747,400.00	4,955,821
IWM	iShares Russell 2000 ETF	\$64,177,700.00	28,902,041

How a Mutual Fund works



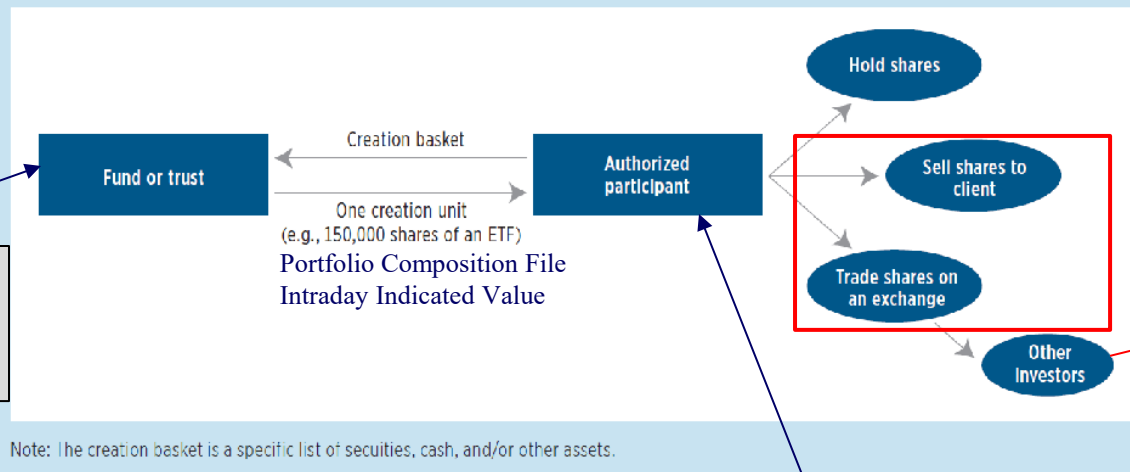
ETF?

- 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

FIGURE 3

Creation of ETF Shares



Institution sponsoring the ETF does not distribute

Traded all day long like a stock

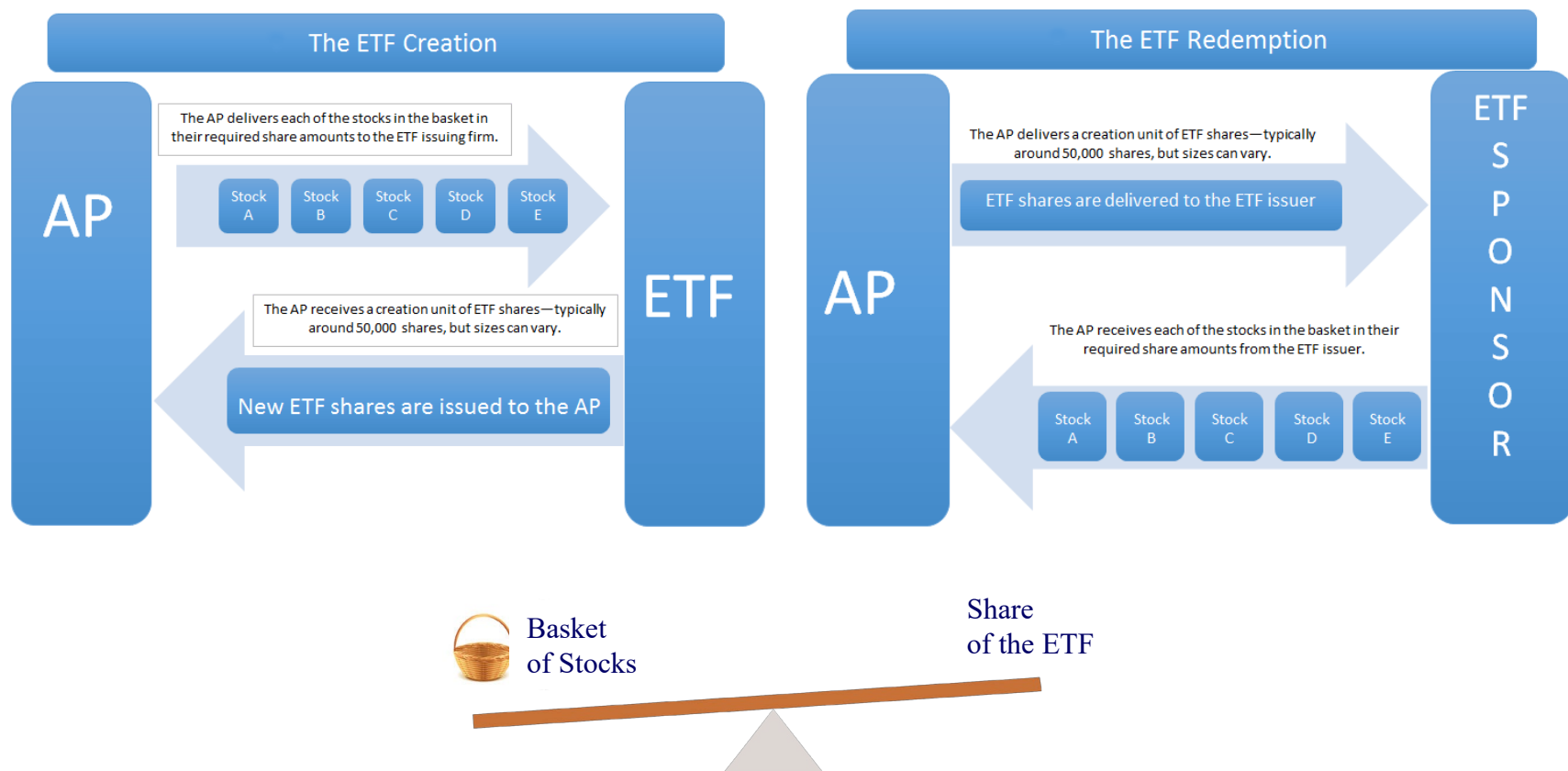
large market maker or institution with a ETF trading desk. Make profits through arbitrage of the ETF NAV vs. underlying assets and through trading commissions and fees in the secondary market.

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
- AAI 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 – Apr. 2nd

- Market Update
- Deep Dive on ETFs – Part 2
 - Performance metrics
 - Risk
 - ETFs for various asset classes & strategies
- No class next week – Spring Break
 - Last class is on April 23rd
 - Will not be able to do an extra “Questions & discussion only” class on April 30th like we have done in prior semesters.
 - Do you want to skip Spring Break and do a class on March 26th?

Thanks !!

- Happy Investing !!

- **My EMail**

 - diyinvst@udel.edu

- **Class website**

 - <http://udel.edu/~diyinvst>