

# Investing for Successful Retirement

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**UD Osher – OLLI**

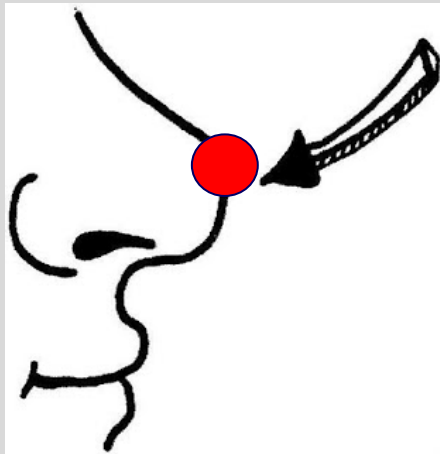
**Spring 2026**

□ **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.

# Fifth Class – Mar. 4<sup>th</sup>

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- Market update

- Weekly Topic

  - Deep Dive – Mutual Funds & ETFs – Part 1

    - What is an ETF?

    - How does it work?

    - How is it different from a Mutual Fund?

    - Performance Criteria for an ETF

- 6<sup>th</sup> Class on March 11<sup>th</sup>

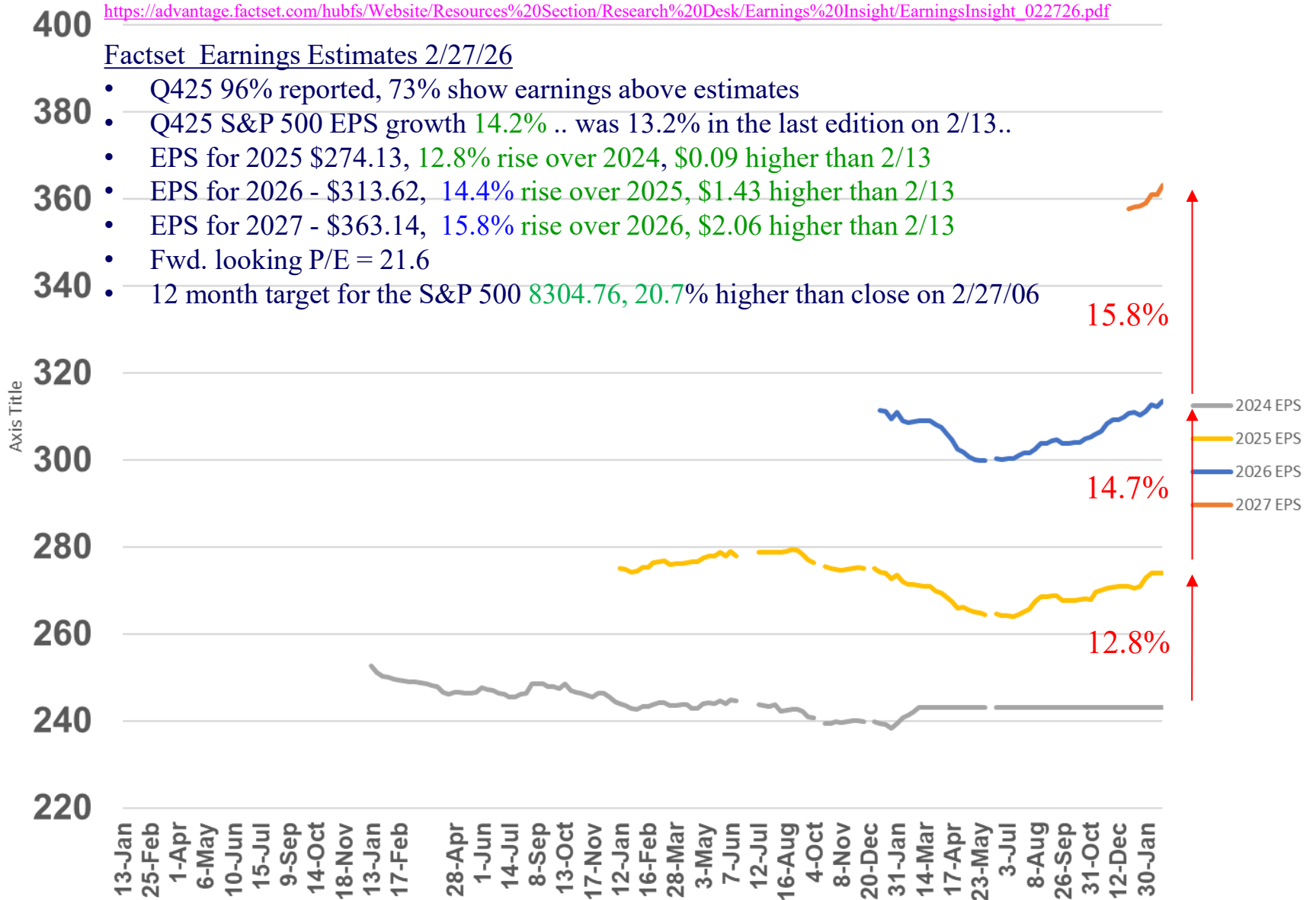
  - We will look at the first of the two new things I had promised we would have in this semester – “Minimal work strategy for investing”

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

[https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight\\_022726.pdf](https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_022726.pdf)

## Factset Earnings Estimates 2/27/26

- Q425 96% reported, 73% show earnings above estimates
- Q425 S&P 500 EPS growth 14.2% .. was 13.2% in the last edition on 2/13..
- EPS for 2025 \$274.13, 12.8% rise over 2024, \$0.09 higher than 2/13
- EPS for 2026 - \$313.62, 14.4% rise over 2025, \$1.43 higher than 2/13
- EPS for 2027 - \$363.14, 15.8% rise over 2026, \$2.06 higher than 2/13
- Fwd. looking P/E = 21.6
- 12 month target for the S&P 500 8304.76, 20.7% higher than close on 2/27/06



\$SPX S&P 500 Large Cap Index INDX

3-Mar-2026

Open 6800.26 High 6840.05 Low 6710.42 Close 6816.63 Volume 3.5B Chg -64.99 (-0.94%)

© StockCharts.com

▲ RSI(14) 43.04

— MACD(12,26,9) -9.806, -5.329, -4.476

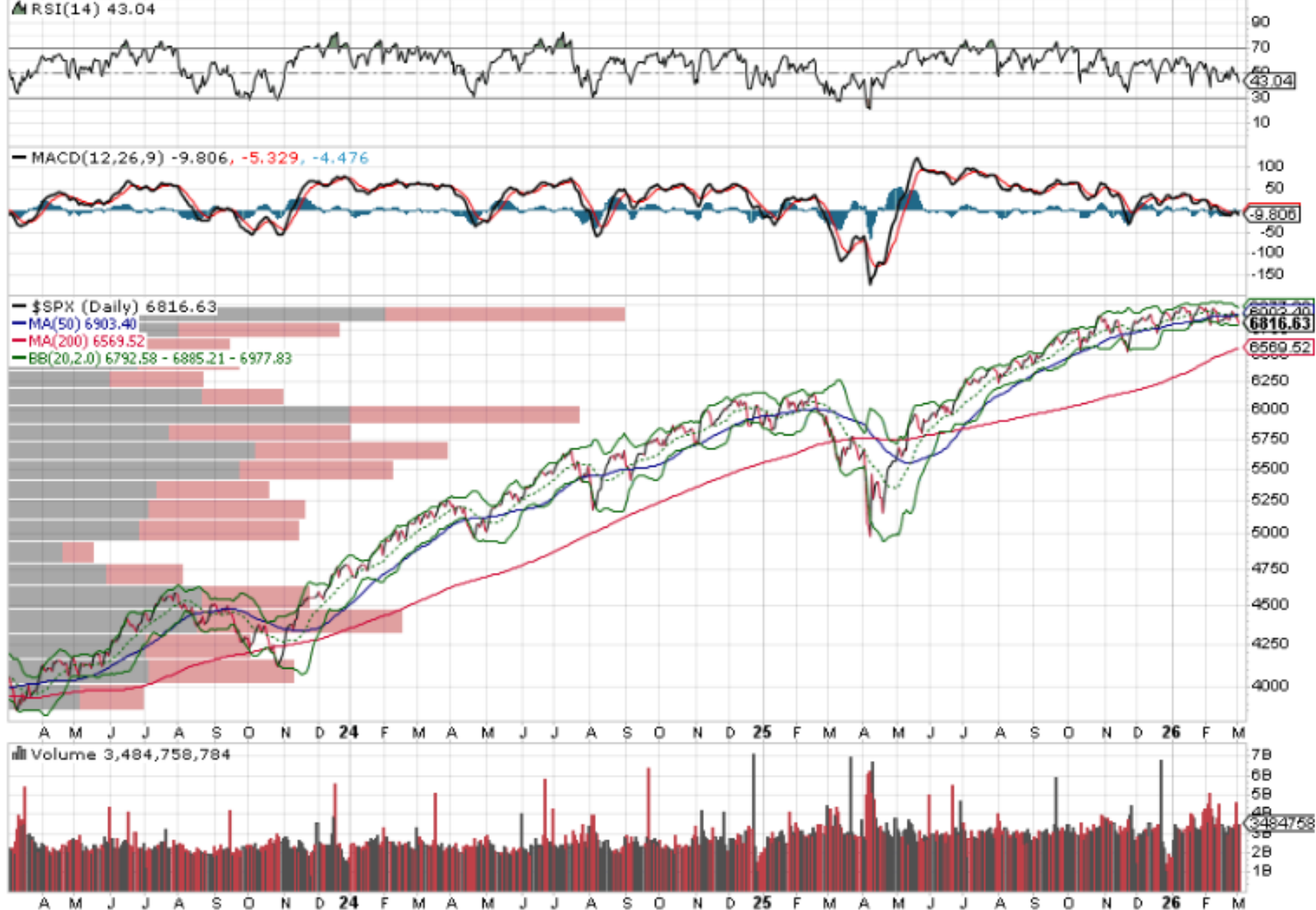
— \$SPX (Daily) 6816.63

— MA(50) 6903.40

— MA(200) 6569.52

— BB(20,2.0) 6792.58 - 6885.21 - 6977.83

Volume 3,484,758,784

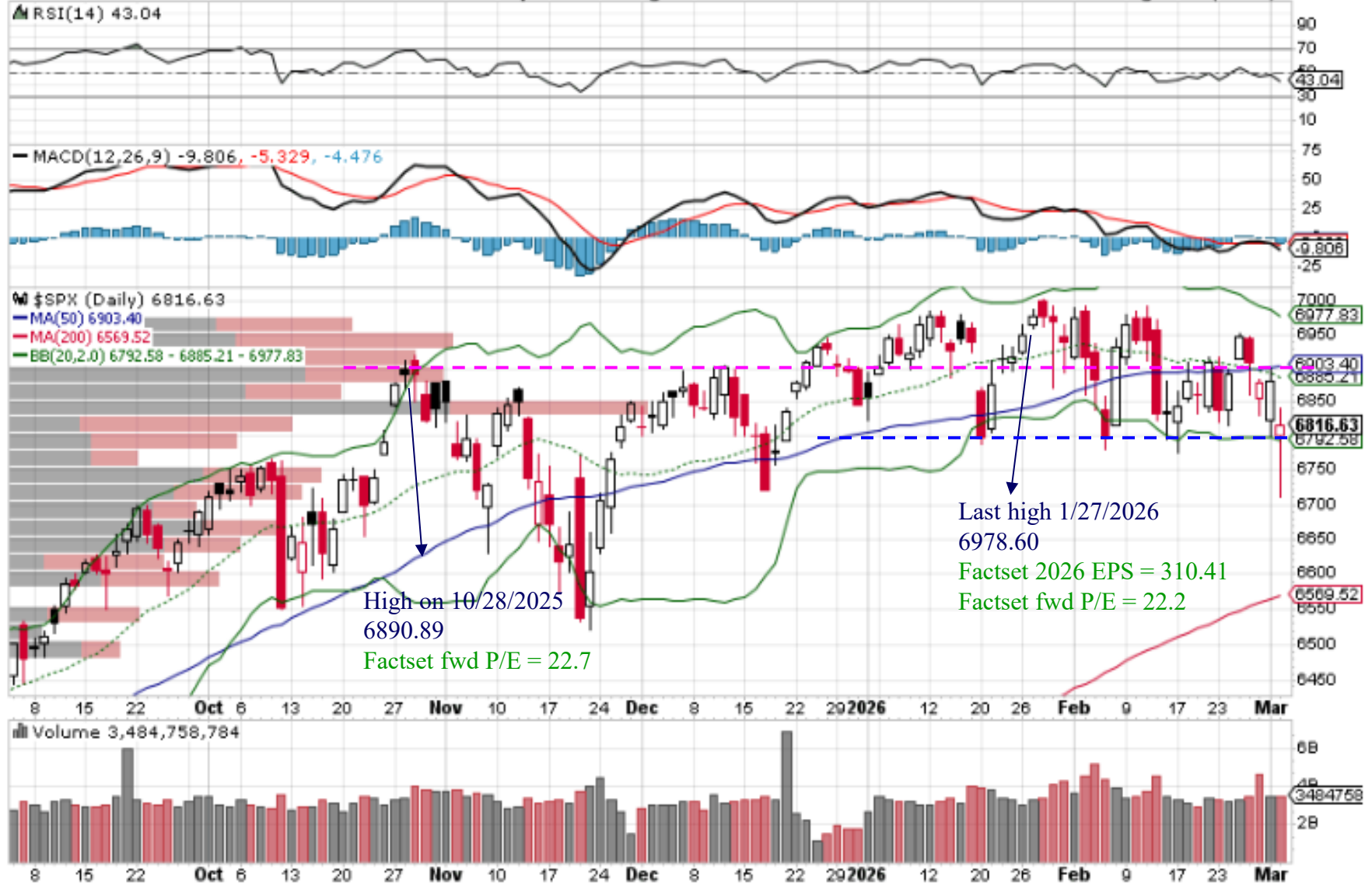


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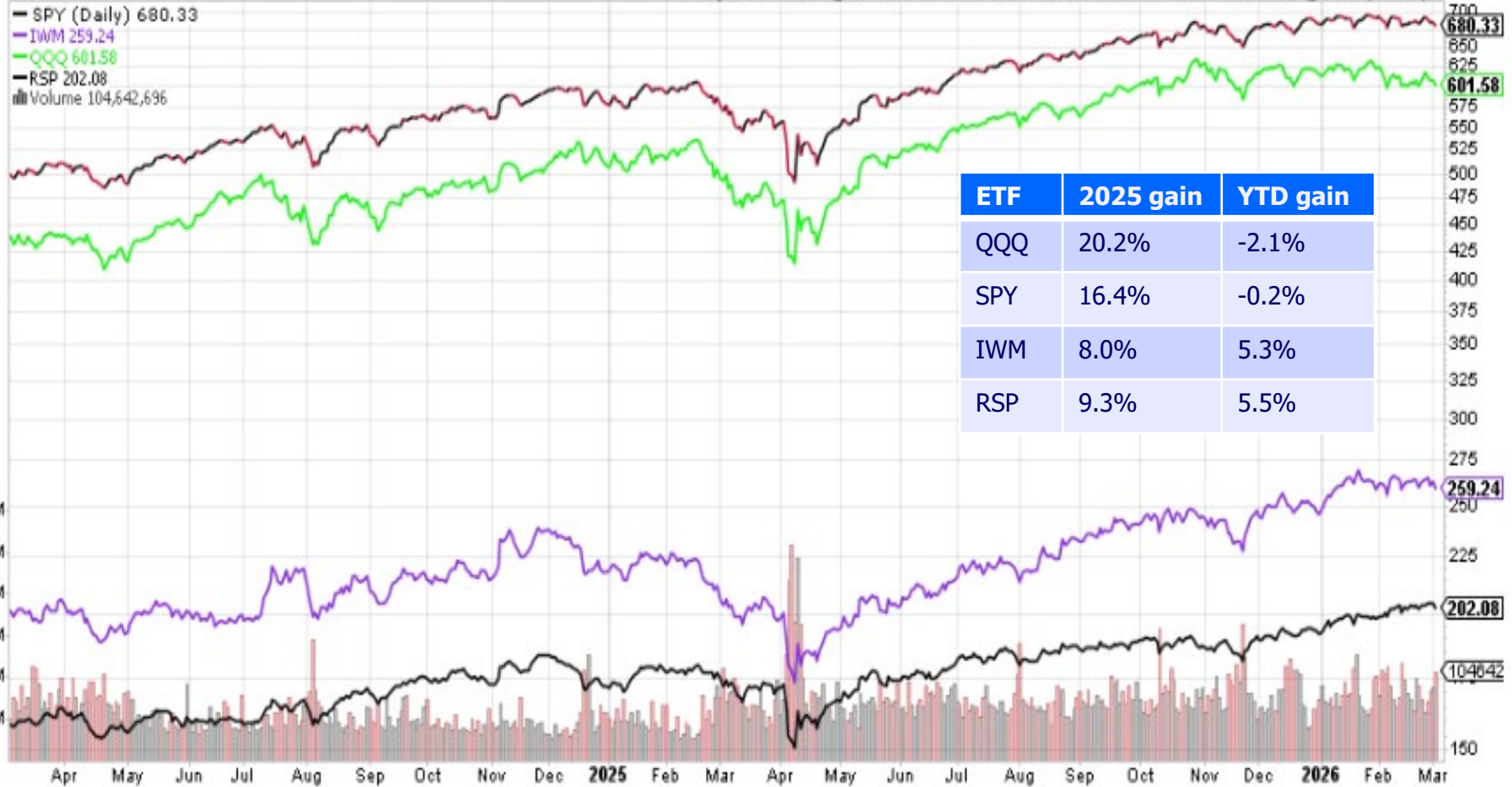
# Market Breadth – another way

SPY SPDR S&P 500 ETF NYSE

3-Mar-2026

Open 675.06 High 682.61 Low 669.66 Close 680.33 Volume 104.6M Chg -6.05 (-0.88%)

© StockCharts.com





A/D line on SPY, Russell 2000, NASDAQ and NASDAQ – 100 – no longer in the charts each week

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

# Weekly Market direction

guywerner@verizon.net

COLUMNS C,D,E BY DAVE (IN THE NORTH) SMITH			DIST DAYS		DOW 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	02/14/26	FOR THE WEEK						-615	-1.23%					-96	-1.38%						-485	-2.11%
SUN	02/15/26	YTD						1,437	2.99%					-9	-0.13%						-695	-2.99%
MON	02/16/26	PRES DAY (NOT DJT) MARKET CLOSED			P	0	P	49,500	0	0.00%	F	F	F	6,836	0	0.00%	F	F	F	22,546	0	0.00%
TUE	02/17/26	UPTREND UNDER PRESSURE (40% - 60%)	5	7	P	0	P	49,533	33	0.07%	F	F	F	6,843	7	0.10%	F	F	F	22,578	32	0.14%
TUE	02/18/26	UPTREND UNDER PRESSURE (40% - 60%)	5	7	P	0	P	49,662	129	0.26%	F	F	F	6,881	38	0.56%	F	F	F	22,753	175	0.78%
THUR	02/19/26	UPTREND UNDER PRESSURE (40% - 60%)	6	7	P	F	0	49,395	-267	-0.54%	F	F	F	6,861	-20	-0.29%	F	F	F	22,682	-71	-0.31%
FRI	02/20/26	UPTREND UNDER PRESSURE (40% - 60%)	5	6	P	F	P	49,625	230	0.47%	F	F	P	6,909	48	0.70%	F	F	F	22,886	204	0.90%
SAT	02/21/26	FOR THE WEEK						125	0.25%					73	1.07%						340	1.51%
SUN	02/22/26	YTD						1,562	3.25%					64	0.93%						-355	-1.53%
MON	02/23/26	UPTREND UNDER PRESSURE (40% - 60%)	6	7	F	F	F	48,804	-821	-1.65%	F	F	F	6,837	-72	-1.04%	F	F	F	22,627	-259	-1.13%
TUE	02/24/26	UPTREND UNDER PRESSURE (40% - 60%)	6	7	F	F	F	49,174	370	0.76%	F	F	0	6,890	53	0.78%	F	0	F	22,863	236	1.04%
WED	02/25/26	CONFIRMED UP (60% - 80%)	5	7	F	F	P	49,482	308	0.63%	F	0	P	6,946	56	0.81%	F	P	P	23,152	289	1.26%
THUR	02/26/26	CONFIRMED UP (60% - 80%)	6	8	P	F	P	49,499	17	0.03%	F	0	P	6,908	-38	-0.55%	F	P	F	22,878	-274	-1.18%
FRI	02/27/26	UPTREND UNDER PRESSURE (40% - 60%)	7	9	F	F	F	48,977	-522	-1.05%	F	0	F	6,878	-30	-0.43%	F	0	F	22,668	-210	-0.92%
SAT	02/28/26	FOR THE WEEK						-648	-1.31%					-31	-0.45%						-218	-0.95%
SUN	03/01/26	YTD						914	1.90%					33	0.48%						-573	-2.47%
MON	03/02/26	"WAG THE DOG"			F	F	F	48,904	-73	-0.15%	F	0	F	6,881	3	0.04%	F	0	F	22,748	80	0.35%
TUE	03/03/26	STILL WAGGING THE DOG			F	F	F	48,501	-403	-0.82%	F	F	F	6,816	-65	-0.94%	F	0	F	22,516	-232	-1.02%

Updated every Sunday – find it at:

<https://drive.google.com/drive/folders/1ubPfIPWptgWpje7djb3yEDmtGXHXTe6u?usp=sharing>

# Market Summary – Stockcharts®

Stockcharts.com → Main Screen → Market Analysis

**New feature** – Market Summary

The screenshot displays two side-by-side panels from the Stockcharts.com Market Summary. Each panel has a header with 'KELLER MARKET MODELS', a 'Charts' button, and an information icon. Below the header are tabs for 'MACRO MODEL' and 'STOCKS MODEL'. The main content area is a table with three columns: 'ST', 'MT', and 'LT', each containing a red downward arrow or a green upward arrow. The left panel shows indicators for Stocks (SPY), Bonds (TLT), Commodities (DBC), and US Dollar (\$USD). The right panel shows indicators for S&P 500 (SPY), S&P 400 (MDY), Russell 2000 (IWM), and NASDAQ 100 (QQQ).

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

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

# US govt bonds – TLT & SGOV

SGOV – Short term 0 to 3 month US treasuries



# U.S. Dollar



# Fifth Class – Mar. 4<sup>th</sup>

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# Funds and ETFs

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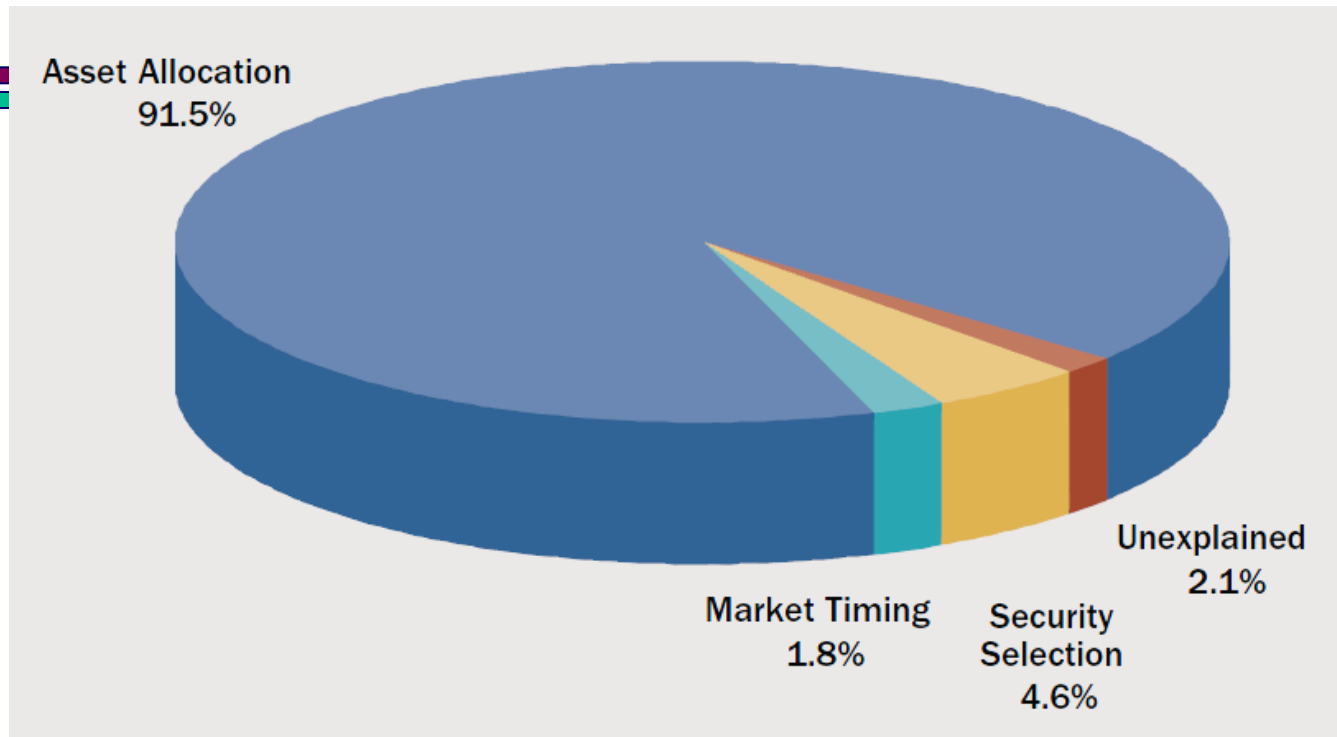
- Mutual Funds and ETFs
  - What are they?
  - How do they work?
  - How do you buy them?
- Pre-reading if you have time
  - Investopedia links:
    - <https://www.investopedia.com/terms/m/mutualfund.asp>
    - <https://www.investopedia.com/terms/e/etf.asp>
    - <https://www.investopedia.com/ask/answers/09/mutual-fund-etf.asp>
    - [https://www.investor.gov/sites/investorgov/files/2020-04/mutual-funds-ETFs\\_2\\_0.pdf](https://www.investor.gov/sites/investorgov/files/2020-04/mutual-funds-ETFs_2_0.pdf)

# Types of Risk

- Systematic Risk – macroeconomic and other “system” events that influence the value of financial assets in general.
  
- Unsystematic Risk
  - Risk in the stock market
    - How stocks will perform in the current financial environment.
    - Measured by volatility in the asset class
    - Correlation of the asset class to the economy and other asset classes.
  - Risks to specific sectors / industries within the stock market.
    - How the industry will perform in the current economy
    - Measured by volatility in a specific sector
  - Risk in a specific company within the sector/industry
    - How the company performs in the sector/industry
    - What happens to that company
    - Measured by Beta for that company within the market.

Why are  
you taking  
risk?

# Determinants Of Portfolio Return Variation



**Research has shown that **asset allocation** has a far greater effect on the variability of returns than picking the right stock/mutual fund or timing the market.**

Source: Ibbotson Associates, Chicago

Dr. Richard Jakotowicz – University of Delaware

# What is a Fund?

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- 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 –

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

AUM 878.6 B  
Min \$100 million  
Exp. Ratio 0.02%

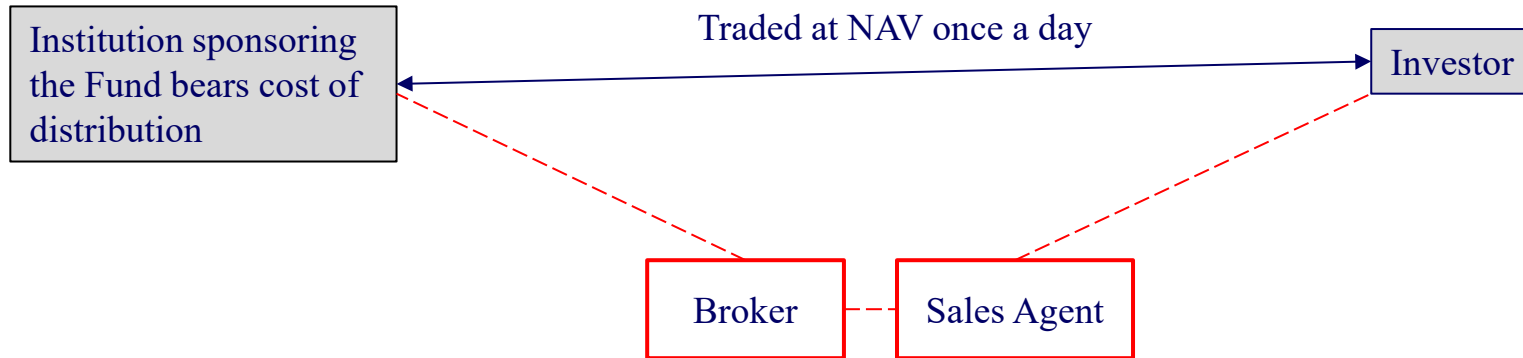
AUM 638.7 B  
Min \$3000  
Exp. Ratio 0.04%

# Largest ETFs

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

Symbol	Name	AUM	Avg Daily Share Volume (3mo)
<a href="#">VOO</a>	<a href="#">Vanguard S&amp;P 500 ETF</a>	\$878,985,000.00	9,868,982
<a href="#">IVV</a>	<a href="#">iShares Core S&amp;P 500 ETF</a>	\$757,290,000.00	9,487,268
<a href="#">SPY</a>	<a href="#">State Street SPDR S&amp;P 500 ETF</a> \$3.3 t	\$702,073,000.00	79,185,102
<a href="#">VTI</a>	<a href="#">Vanguard Total Stock Market ETF</a>	\$591,100,000.00	5,591,840
<a href="#">QQQ</a>	<a href="#">Invesco QQQ Trust Series I</a>	\$403,169,000.00	55,703,574
<a href="#">VEA</a>	<a href="#">Vanguard FTSE Developed Markets ETF</a>	\$221,406,000.00	18,678,463
<a href="#">VUG</a>	<a href="#">Vanguard Growth ETF</a>	\$199,988,000.00	1,500,444
<a href="#">GLD</a>	<a href="#">SPDR Gold Shares</a>	\$183,207,000.00	17,140,131
<a href="#">IEFA</a>	<a href="#">iShares Core MSCI EAFE ETF</a>	\$182,476,000.00	14,017,829
<a href="#">VTV</a>	<a href="#">Vanguard Value ETF</a>	\$172,645,000.00	3,961,561
<a href="#">BND</a>	<a href="#">Vanguard Total Bond Market ETF</a>	\$153,646,000.00	9,239,728
<a href="#">IEMG</a>	<a href="#">iShares Core MSCI Emerging Markets ETF</a>	\$150,062,000.00	15,724,318
<a href="#">VXUS</a>	<a href="#">Vanguard Total International Stock ETF</a>	\$145,027,000.00	8,810,206
<a href="#">AGG</a>	<a href="#">iShares Core U.S. Aggregate Bond ETF</a>	\$140,692,000.00	8,884,604
<a href="#">VWO</a>	<a href="#">Vanguard FTSE Emerging Markets ETF</a>	\$119,582,000.00	11,620,698
<a href="#">IWF</a>	<a href="#">iShares Russell 1000 Growth ETF</a>	\$118,444,000.00	2,504,119
<a href="#">VGT</a>	<a href="#">Vanguard Information Technology ETF</a>	\$115,544,000.00	508,071
<a href="#">IJH</a>	<a href="#">iShares Core S&amp;P Mid-Cap ETF</a>	\$112,034,000.00	13,651,913
<a href="#">SPYM</a>	<a href="#">State Street SPDR Portfolio S&amp;P 500 ETF</a>	\$108,283,000.00	11,264,171
<a href="#">VIG</a>	<a href="#">Vanguard Dividend Appreciation ETF</a>	\$104,831,000.00	1,587,537

# How a Mutual Fund works



# ETF?

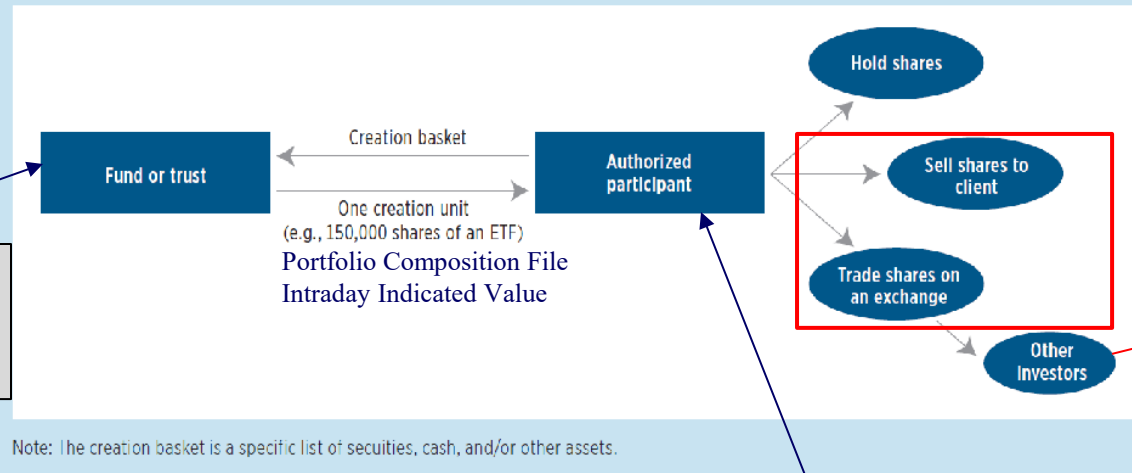
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- Hybrid – Investment features of Mutual funds married to trading features of common stocks.
  - Like a mutual fund, an investor owns a proportional interest in pooled assets.
  - Generally managed by an investment company for a fee.
  - Regulated 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

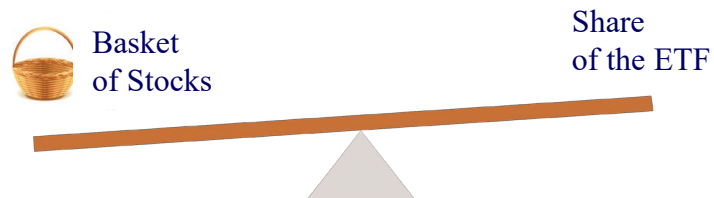
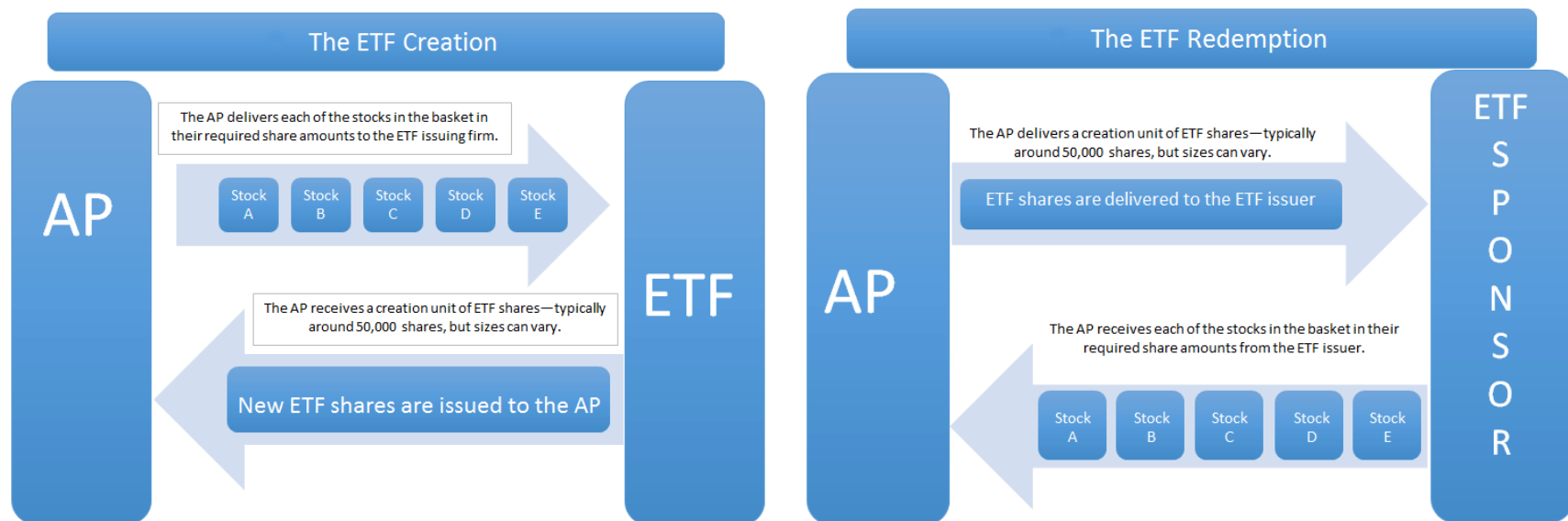
large market maker or institution with a ETF trading desk. Make profits through arbitrage of the ETF NAV vs. underlying assets and through trading commissions and fees in the secondary market.

How ETFs work - Investment Company Institute

[https://www.ici.org/etf\\_resources/background/explain\\_18\\_etfs](https://www.ici.org/etf_resources/background/explain_18_etfs)

[https://www.ici.org/etf\\_resources/background/faqs\\_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

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- 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

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## 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?

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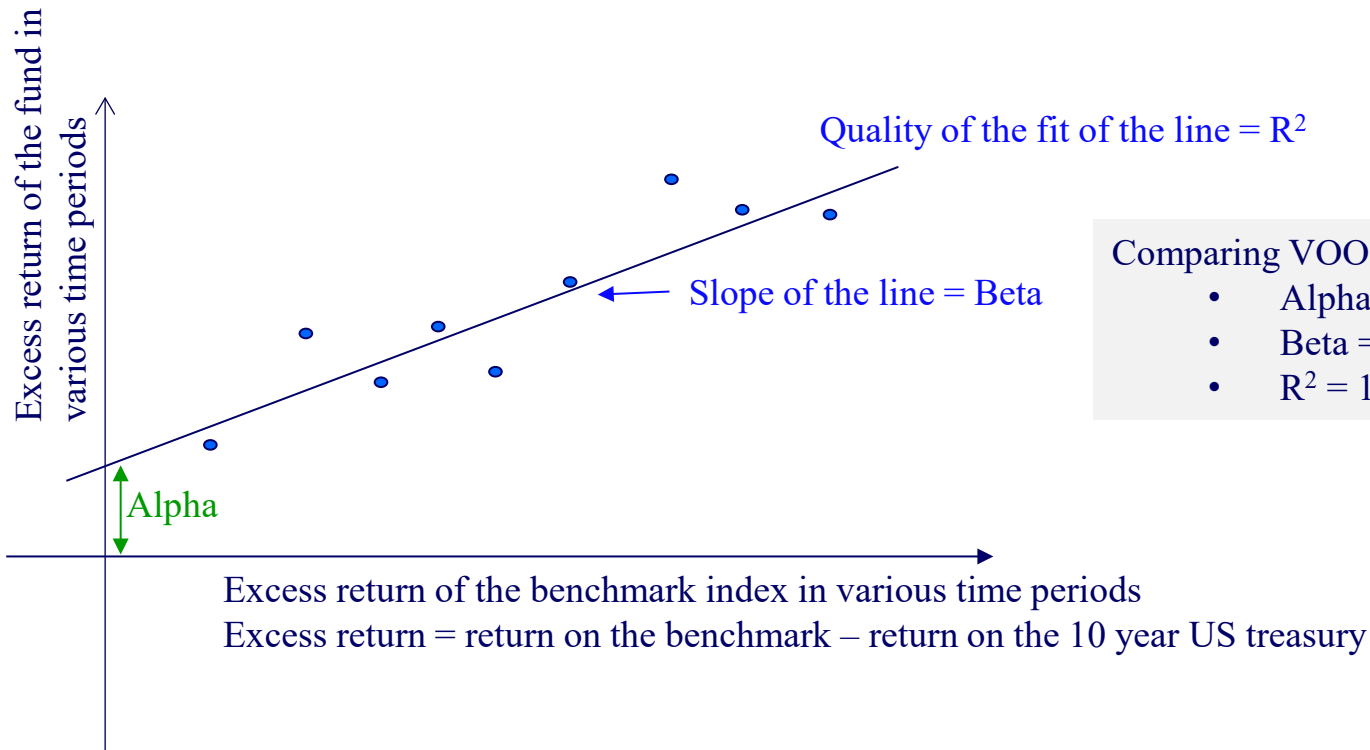
- Reputable Sponsor
- Liquidity
- Delivers exposure to the asset class / index you want exposure to
  - Fits your asset allocation plan
  - Matches performance of the asset class
- Low Expense Ratio and transaction fees
- Rated well by rating agencies

# Metrics for ETF performance

Metric	Definition / what it measures	Range	Good
Alpha	Excess return delivered relative to underlying index.	Zero is center	higher
Beta	Relative volatility of the fund compared to that of its benchmark index.	One is center	lower
R Squared	Percentage of a funds price movement that can be explained by changes in value of the underlying index	0 - 100	depends
Standard Deviation	Measure of the historical dispersion of a funds returns around its mean.		lower
Sharpe Ratio	Measure of excess return of a fund over the risk free return divided by its standard deviation. Estimates if a funds return comes from smart investing decisions or excess risk.		Higher
Expense Ratio	How much the manager charges to run the ETF		Lower
Liquidity	How much volume is traded every day (Bid - Ask spread)		High

# Performance of a fund

- Performance is measured relative to
  - an Index Benchmark.
  - Return in a low-risk investment like a 10-year US Govt. treasury bond.



Comparing VOO or SPY to the S&P 500

- Alpha = zero
- Beta = 1
- $R^2 = 100\%$

# What's in the ETF

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## □ Portfolio

- Companies or individual investments
- Percent of holdings in that investment
- Number of holdings – depth or concentration
- Turnover

# Morningstar® - ETF rating system

- Fund analyst or Proprietary quantitative algorithm
- Star system – 1 to 5 stars launched in 1986
  - 3 years of data minimum
  - Performance relative to other funds with similar asset classes, strategies.
  - How much risk is taken relative to others and benchmarks. Less is better.
  - 3 is average
    - 1 or 2 have underperformed
    - 4 or 5 have done the best in the comparison group.
- Medalist ratings – Negative, Neutral, Bronze, Silver and Gold
  - Launched in May 2023 – combined Analyst and Quantitative Rating
  - Predicted future performance of strategy based on *Net Alpha*
  - Evaluates 3 factors on a 5 point scale – high, above avg., avg., below avg., low
    - People
    - Process
    - Parent
  - Performance
  - Fees relative to excess return delivered
  - Higher bar for active strategies – must beat benchmark with performance justifying risk and fees
- Algorithmic ratings launched in 2017. Sustainability ratings in 2019

# Passive – Index ETFs

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## □ Hierarchy

### □ Total market

#### □ Segments of markets

- Sectors within markets
  - Companies within the sector

This is not  
investment  
advice

# US Equity Markets – Style

- Total US stock market – VTI, ITOT, SCHB

- Style – Growth vs. Value

	Growth	Blend	Value
Large	VOOG	VW, VOO	VOOV
Mid	VOT	VO	VOE
Small	VBK	VB, DFAS, SMLF	VBR

- DOW – DGT

- Nasdaq - ONEQ

- S&P 500 – VOO, IVV, SPLG, EQWL(equal weighted)

- Style – Dividend ( Funds distribute both qualified and non-qualified dividends reported in the 1099 DIV)

- High Dividend – VYM

- Value focus - QDEF

- Growing Dividend – VIG, VIGI, TDVG

- International – EDIV

- Small Cap - DGRS

# US Equity Markets – Sector

This is not investment advice

## Sector Performance by Business Cycle Phase

The table below shows how sectors have tended to perform in each stage of the business cycle. For more information on sector performance patterns, read [The Business Cycle Approach to Sector Investing \(PDF\)](#).

40% is AMZN and TSLA

39% is AAPL, NVDA, and MSFT

39% is Meta, Google, and NFLX

- XLFP
- XLRE
- XLTY
- XLK
- XLI
- XLB
- XLP
- XLV
- XLE
- XLC
- XLU

Sector	Early	Mid	Late	Recession
Financials	+			
Real Estate	++			--
Consumer Discretionary	++	-	--	
Info. Tech	+	+	--	--
Industrials	++			--
Materials	+	--	++	
Consumer Staples			++	++
Health Care	--		++	++
Energy	--		++	
Communication Services		+		-
Utilities	--	-	+	++

- VHFX
- VNQ
- VCR
- VGTX
- VIS
- VAW
- VDC
- VHT
- VDE
- VOX
- VPU

++ Consistently Overperform    -- Consistently Underperform    □ No Clear Pattern  
+ Overperform    - Underperform

Unshaded (white) portions above suggest no clear pattern of over- or underperformance vs. broader U.S. equity market. Double +/- signs indicate that the sector is showing a consistent signal across all three metrics: full-phase average performance, median monthly difference, and cycle hit rate. A single +/- indicates a mixed or less consistent signal. Source: Fidelity Investments (AART).

This is not  
investment  
advice

# Equity Markets - Industry

- Specific Industry of interest
  - Based on market direction etc.
  - Fund manager / team make choices
- Examples
  - Infrastructure - IFRA
  - Solar Energy – TAN
  - Internet Security – HACK, BUG -> similar top holdings
  - Lithium & Batteries – LIT, BATT ->6% weight on TSLA
  - Healthcare – VHT
    - Biotech – IBB, XBI
    - Medical Devices – IHI
  - Airlines – JETS
  - Real Estate – VNQ, JPRE, REET(global)
  - Robotics – ROBO
  - AI centric – XAIX, CHAT, AIQ

# Active ETFs

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- Strategy / Style
- Active – Fund Manager/team

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investment  
advice

# Equity Markets - Active

- Manager / Team chooses portfolio to achieve objective
- Equity Premium Income / growth
  - JEPI (covered calls – Equity Linked Notes), monthly distributions
- Multiple strategies
  - Low Beta
    - LVHD, EEMV, VFMV, ONEV, QLV
  - Active Beta
    - GSLC, GSIE
  - Momentum
    - MMTM, MTUM, IMTM, ONEO (Russell 1000), IDMO (international), BUZZ (Social Media)
  - Covered Calls
    - DIVO
    - JEPI

# Even the pros can't do it !!

Funds that consistently outperformed the S&P 500 index

Hold period	% of funds that beat the index
1 year	27.39%
3 years	35.13%
5 years	13.09%
10 years	14.02%

SPIVA Scorecard – Published by the S&P DJI

[https://www.spglobal.com/spdji/en/research-insights/spiva/?utm\\_source=pdf\\_spiva](https://www.spglobal.com/spdji/en/research-insights/spiva/?utm_source=pdf_spiva)

# Equity Markets – Exotic Strategy

- Multiple leveraged funds
  - Complex ETF
  - Low AUM, High Fees
  - Very short term focus – One Day!
  - Be very careful
  
- S&P 500 Double Leverage – SPUU or SOO
  - QQQ – triple - TQQQ and short SQQQ
  
- Direxion – single stock ETFs – TSLA daily bear TSLS

This is not  
investment  
advice

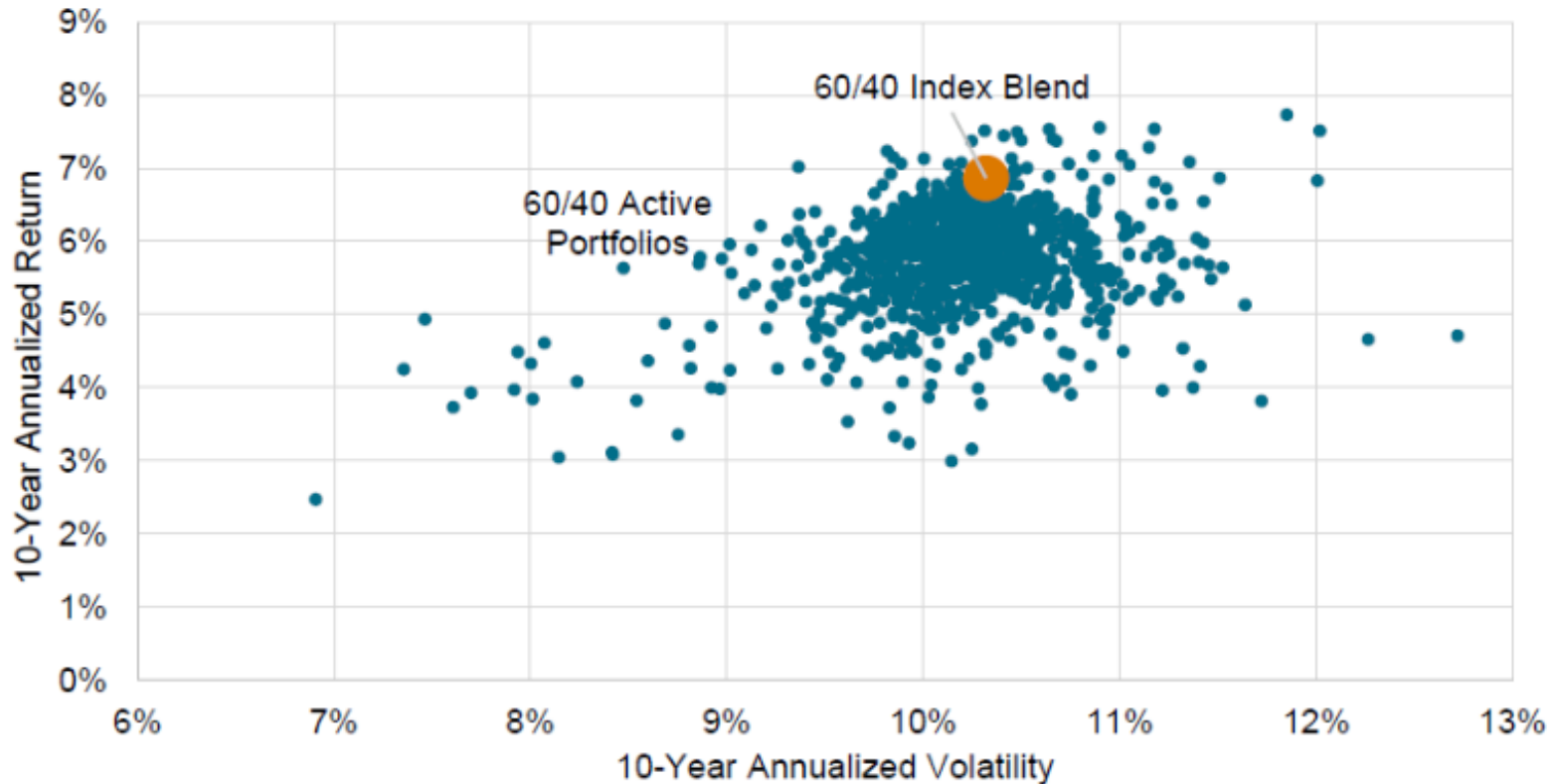
This is not  
investment  
advice

# US Bond Market

- Total Bond Market – FBND, BND, IUSB, AGG
- Total Corporate Bonds – VTC
- High Yield Bonds – HYZD, HYGH, SJNK, SHYG, HYDB, FALN, HYGV
- Total Tax – Exempt – VTEB
- Inflation Protected (TIPS) – TDTF, SCHP

	Short	Intermediate	Long Term
Treasuries	VGSH	VGIT	VGLT
Corporate	VCSH	VCIT	VCLT
Total Bond Mkt.	BSV	BIV	BLV

## Exhibit 1: 60/40 Index and Active Performance Illustration



Source: S&P Dow Jones Indices LLC, CRSP. Data as of Dec. 31, 2024. Data represent 1,000 randomly selected 60/40 portfolios of active funds and the 60/40 blend of indices (see later sections for details). Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

# Sources of information for ETFs

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- 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

# Sixth Class – Mar. 11<sup>th</sup>

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- Market Update
- Deep Dive into ETFs and Mutual funds - Part 2
  - ETFs for various asset classes
  - Using ETFs with an asset allocation strategy
  - The simplest sound investment strategy you can follow
- Questions

# Thanks !!

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□ Happy Investing !!

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