BOB CARLSON'S
Retirement Watch
Strategies for a Secure Future
Section 2: Investment Recommendations and Portfolios
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Waiting for the Economy to Catch up with Sentiment

MARKET Watch

The surge of optimism among households and businesses still isn't reflected in economic activity, other than stock prices and the labor market. To put it another way, consumer and business optimism increased since October, but behavior hasn't changed.

The NFIB Small Business Optimism Index recently surged to its highest level since December 2004. Consumer Confidence, as measured by The Conference Board, soared and is at its highest level since the financial crisis. Consumer Sentiment, as measured by the University of Michigan, is just below its highest levels since the financial crisis and much higher than in late 2016. Surveys by the Federal Reserve regional banks and the Institute for Supply Management also reveal rising optimism and expectations.

Yet, retail sales growth hasn't changed much, and capital investments by businesses have increased only a little. Most other economic measures show little or no change in recent months. Economic growth probably increased in the first quarter, but that's not saying much since the fourth quarter of 2016 was disappointing.

There are a lot of conflicting pressures in the U.S. economy that explain the apparent paradox.

The economy has achieved a sustainable level of growth, but there are headwinds that might keep growth from accelerating. The Fed is tightening. Inflation is rising and that could make the Fed tighten more. The housing market still is healthy, but it's not as strong as it was in early 2016. Wages are rising, which is good for households but reduces business profit margins.

Productivity has been low the past few years and is well below the post-World War II average. Higher productivity has been a major force supporting higher economic growth and higher business profit margins. The stall in productivity is likely to be reversed only with more capital investment by businesses, and they've been reluctant to do that.

Adding to the uncertainty and conflicts is the range of policies proposed by the new administration. Reduced regulation, major tax reform and other changes would increase growth. But it will take time to implement the policies and more time for them to affect the economy. Also, it's not a certainty the policies, as proposed, will be enacted. Another source of uncertainty is that other proposals, such as trade and immigration restrictions, are likely to reduce growth.

While all of this is happening in the United States, growing strength overseas is escaping the attention of most investors.

Exports improved in many of the recent data reports, and there are other data indicating that foreign demand quietly increased and is at its strongest level since the European financial crisis of 2011.

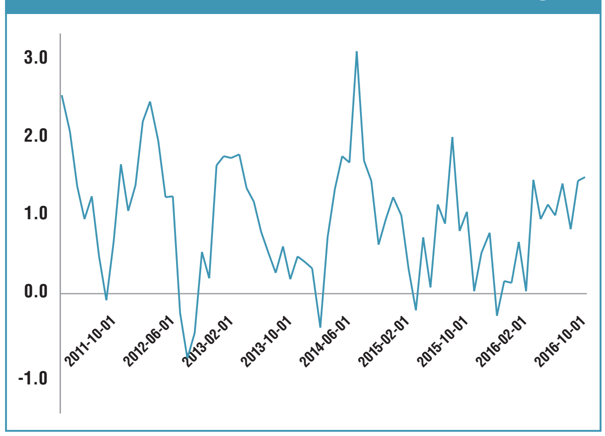
The improvements are broad-based. Growth is higher in Europe, Latin America, Japan and much of Asia. China appears to have righted itself after the troubles of 2015 and 2016.

To be sure, none of these countries and regions is in a boom. Each also has problems to contend with and could slide at any time. But many investors are focused on the problems and the poor performance of the last few years. The result is that expectations and market values are quite low. Investments outside the United States are cheaper than the richly valued U.S. markets, and they have much greater potential for improvement and gains.

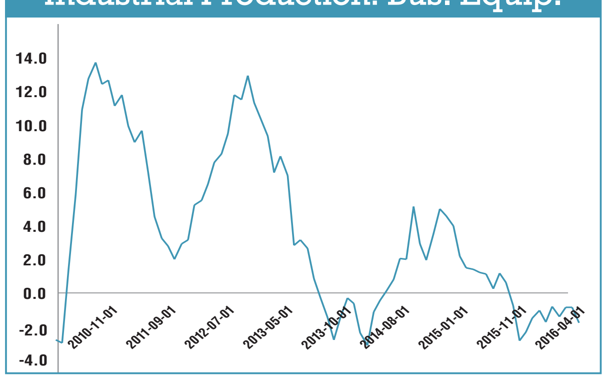
I've said in recent months that the range of possible economic and investment outcomes is higher now than in some time. Investors should welcome some uncertainty, unpredictability and volatility. Those forces make it possible to earn above-average investment gains by taking advantage of the market opportunities others don't see.

But for many investments, the potential

Real Retail Sales: 6-month average



Industrial Production: Bus. Equip.



returns in best-case scenarios are far lower than the potential losses from negative scenarios. We're looking at asymmetric potential returns.

That's why we're not making big allocations to any particular asset or in favor of a likely economic scenario. The strong convictions I have are that interest rates and inflation are likely to rise over the coming year, so we've minimized our exposure to interest-rate-sensitive investments.

Other than that, we're staying well diversified and balanced. We always favor investments with margins of safety, but that's more important than usual. The margin of safety needs to be coupled with balance and diversification to increase the potential for solid returns while minimizing the risk of large losses.

Adapting to the Latest Market Shifts

PORTFOLIO Watch

The oil market is being roiled again, so it's time to make an adjustment to several of our portfolios.

The price of a barrel of Brent Crude went from about $115 in June 2014 down to less than $28 in January 2016 and then recovered to almost $55 per barrel in February. Last month, I said it looked like energy prices were stabilizing and that I was considering a change in our holding of **T. Rowe Price New Era (PRNEX)**. Now, it's time to make the change.

Normally a recovery in oil prices lasts several years. Technology has changed the cycle, especially with the fracking operations in the United States and Canada. Recent assessments of the international oil market concluded new supply already is coming back to the market. Supply is meeting or exceeding demand. That triggered selling in both oil and stocks of energy companies.

PRNEX is down 4.23% for the last four weeks and 3.06% for the year to date. I don't think oil prices are going to revisit the lows of the bear market, but the recovery likely has stalled for a year or more. The fund returned 15.95% over the last 12 months. We'll take our profits and move on.

I continue to be optimistic about stocks outside the United States. As I said in this month's Market Watch and in the past few months, I believe current prices don't reflect the growth potential in many companies.

Take a look at Europe. As the European Central Bank (ECB) pointed out after its March meeting, the economy on the continent is growing and the growth is accelerating. The European economy still is at depressed levels, so there's a lot of room for growth before the ECB has to worry about inflation. The ECB plans to continue its quantitative easing (QE) program at least through the end of 2017, giving some confidence to investors and businesses.

Of course, it's not clear sailing in Europe. Germany's leaders continue to argue that the QE program is excessive and unnecessary. In addition, near the end of 2017 the ECB will run out of bonds to buy that meet its purchasing standards. It will have to either expand the types of securities it will buy or re-evaluate the program. Of course, there's a heavy election calendar in Europe this year, and the results could affect the ECB and its QE program. We have to monitor these and other risks during the year.

A similar scenario is taking place in Japan.

Because of the international opportunities, I recommend using the proceeds of the sale of PRNEX to increase our positions in **WCM Focused International Growth (WCMRX)**. The fund's stock positions continue to bounce back from the effects of the strong dollar and a general decline in health care stocks in 2016.

The fund seeks to invest in a few great businesses and hold the stocks longer than most mutual funds. The first step in the fund's process is to look for companies that have had strong growth rates and carry little or no debt. The next step is to take a deep look at the business fundamentals and management of the companies that survive the first step.

After determining the business and management meets its standards, the fund looks for several additional qualities before adding a company to the portfolio.

A company's business should benefit from one or more of the key long-term trends the fund has identified. Among the trends are changing demographics, a growing global middle class, increased use of technology, outsourcing and more.

The business also should have some form of protection, or what fund management likes to call a moat. The protection might be legal or regulatory, but it also might be a business advantage. Business advantages include unique products or services, difficulty for customers to switch to another provider, economies of scale and more.

Only a few companies meet the fund's standards for a great company. Recently, the fund held 32 stocks, and more than 39% of the fund was in the 10 largest positions. More than 6% of the fund was in cash. The annual turnover of the fund is only 26%, compared with a 60% average turnover for funds in its category.

The fund is concentrated in technology (21.5% of the fund), health care (20%), consumer cyclical (19%), consumer defensive (13%) and financial services (10%) companies. Top holdings recently were Taiwan Semiconductor, Reckitt Benkiser, Chubb, CSL and Nestle. The fund's holdings are about 52% in Europe, 26% in Asia, 18% in North America and 4% in Latin America. About 20% of the companies are in emerging economies.

WCMRX has returned 2.45% in the last four weeks and 7.74% so far in 2017. Since it invests for growth, the dividend yield of the fund is a low 0.28%.

Latin American stocks continue to

provide positive returns to our portfolios through **T. Rowe Price Latin America (PRLAX)**, though those stocks also are volatile. The fund lost 1.28% over the last month but has returned 11.21% so far in 2017 and 24.61% over the last 12 months.

We entered Latin American markets as a way to profit from rising commodity prices after the bear market of 2011-2016, because most Latin American economies are commodity-based. In addition, the Latin American economies suffered from the effects of the European financial crisis, and I expected them to recover as Europe's economy stabilized.

PRLAX had a strong 2016 but took a sharp slide after the election as fears of strong anti-trade measures caused investors to sell Latin American stocks. They've since more than recovered from that overreaction.

The fund looks for growing companies selling at reasonable prices. It is not a bargain hunter, but it is careful not to overpay for stocks. This is another long-term investor that prefers to own a relatively few stocks the fund's manager really likes. The annual turnover is 27%, compared to 81% for its competitors.

PRLAX recently owned 54 stocks and had 52% of the fund invested in the 10 largest positions in the portfolio. The fund also is concentrated in financial services (36% of the fund), consumer defensive (21%) and consumer cyclical (16%) companies.

Brazilian companies currently make up 61% of the fund. Other top country exposures are Mexico (17.1%), Peru (5.6%), Chile (4.7%) and Argentina (4.8%).

We own primarily Latin American bonds through **DoubleLine Emerging Markets Fixed Income (DBLEX)**.

A key benefit of DBLEX is that it has been bullish on the U.S. dollar most of the last few years, so it owns only debt denominated in U.S. dollars. The fund isn't taking emerging market currency risk.

Another benefit is the fund's willingness to shift between corporate and sovereign debt. Many emerging market bond funds own primarily sovereign debt. Corporate debt, especially of global companies, can be stable when the bonds of a government are being downgraded. Corporate debt also provides the opportunity to buy the debt when the issuer's financial condition is improving but before the credit rating firms have recognized it. When the credit rating is improved, the bonds increase in price.

Until 2017, DBLEX had very little sovereign debt. As Latin American economies improved, the fund's sovereign debt holdings increased. They now are almost 20% of the fund. Corporate debt is 56% of the fund. The rest is quasi-sovereign debt. These are bonds issued by an entity that is implicitly or explicitly backed by a government.

DBLEX is not a Latin American-focused fund. It can invest in bonds of any emerging economy. But fund management first does an assessment of the economy of each country and invests only in issuers from countries with favorable economic outlooks. It doesn't try to follow an index. In recent years, the fund has invested primarily in Latin American issuers.

The fund's also been anticipating rising interest rates, so it reduced holdings of long-term bonds and shortened the average duration of bonds it owns.

Recently, almost 15% of the fund was in bonds from Mexican issuers, 8% from Chile, 7% from Panama, almost 7% from Brazil, and more than 6% from Costa Rica. Top sectors of issuers held by the fund are banking (22.7%), sovereigns (19.7%), oil & gas (almost 14%), utilities (11%) and transportation (10.5%).

The fund lost 0.07% in the last four weeks and return has reached 1.99% so far in 2017. It returned 14.40% over the last 12 months.

Sector Portfolio

Fund	Allocation	Ticker	4-Wk Return	Add New Cash?	Sell Below
DoubleLine Floating Rate	25.0%	DBFRX	0.48%	Yes	N/A
Cohen & Steers Realty Shares	10.0%	CSRSX	-3.41%	Yes	N/A
Mairs & Power Growth	14.5%	MPGFX	2.39%	Yes	N/A
DoubleLine Emerging Mkts FI	9.0%	DBLEX	-0.07%	Yes	N/A
Price New Era	0.0%	PRNEX	-4.23%	No	N/A
Price Latin America	9.0%	PRLAX	-1.28%	Yes	N/A
WCM Focused International Growth	32.5%	WCMRX	2.45%	Yes	N/A

**Returns are as of March 10, 2017 N/A Not Applicable*

We're selling T. Rowe Price New Era from the portfolio and adding the proceeds to WCM Focused International Growth. The recovery in oil prices seems to have peaked, and there's the potential that a supply glut could cause prices to decline further. Hold the rest of the portfolio. We'll watch closely how our funds respond to actions from the Fed and the Congress.

Balanced Portfolio

Fund	Allocation	Ticker	4-Wk Return	Add New Cash?	Sell Below
DoubleLine Floating Rate	33.0%	DBFRX	0.48%	Yes	N/A
Cohen & Steers Realty Shares	7.0%	CSRSX	-3.41%	Yes	N/A
Mairs & Power Growth	15.0%	MPGFX	2.39%	Yes	N/A
DoubleLine Emerging Mkts FI	7.0%	DBLEX	-0.07%	Yes	N/A
Price New Era	0.0%	PRNEX	-4.23%	No	N/A
Price Latin America	8.0%	PRLAX	-1.28%	Yes	N/A
WCM Focused International Growth	30.0%	WCMRX	2.45%	Yes	N/A

**Returns are as of March 10, 2017 N/A Not Applicable*

As I hinted last month, it's time to sell T. Rowe Price New Era. Add the proceeds to WCM Focused International Growth. We're going to hold the other positions for at least another month.

We continue have dedicated U.S. stock exposure through **Mairs & Power Growth (MPGFX)**. U.S. stocks are in uncertain territory, as we discussed in this month's Market Watch. MPGFX is a good fund for this point in the investment cycle.

The fund is a long-term winner. It has been around since 1958 and beaten the indexes over the long term. Fund management, which has used a consistent process despite several generations of management change, carefully selects stocks of a few companies and holds them for a long time. It's based in the Twin Cities of Minnesota and St. Paul. It invests primarily in companies based in the Midwest. The fund can own any size company and does, though the portfolio is tilted toward larger companies. While it owns some global companies, its holdings do most of their business in the United States.

MPGFX wants to own growing companies that the fund's management believes can continue their growth. Strong management and reasonable stock prices are two key traits the fund requires.

The fund owns 52 stocks and has more than 37% of the fund in its 10 largest positions. The fund is 31% in industrials, 22% in health care and 14% in financial services. The top holdings are U.S. Bancorp, Ecolab, St. Jude Medical, 3M, Graco, and Honeywell International. Of its top 10 positions, all have been held since 2002 or earlier. Five date back to 1993.

The fund is up 2.39% in the last four weeks and 5.53% so far in 2017. It has returned 18.58% over the last 12 months.

Our addition of **Cohen & Steers Realty Shares (CSRSX)** to the portfolios has been volatile. The fund rose through the end of February but has been sliding since. It is down 3.41% for the last four weeks (most of that in one week) and 1.48% for the year to date. I suspect this is an overreaction to higher interest rates and concerns about retailers and shopping centers. Real Estate Investment Trusts (REITs) on average were selling for less than their net asset values last October. In the past, that has led to double-digit-percentage gains in the following 12 months. Economic growth and rising inflation should lead to higher rents at most properties, which will increase the value of REITs.

Income Growth Portfolio

Fund	Allocation	Ticker	4-Wk Return	Add New Cash?	Sell Below
DoubleLine Floating Rate	36.0%	DBFRX	0.48%	Yes	N/A
Cohen & Steers Realty Shares	5.0%	CSRSX	-3.41%	Yes	N/A
Mairs & Power Growth	15.0%	MPGFX	2.39%	Yes	N/A
DoubleLine Emerging Mkts FI	5.0%	DBLEX	-0.07%	Yes	N/A
Price New Era	0.0%	PRNEX	-4.23%	No	N/A
WCM Focused International Growth	32.0%	WCMRX	2.45%	Yes	N/A
JP Morgan Alerian MLP ETN	7.0%	AMJ	-5.71%	Yes	N/A

**Returns are as of March 10, 2017 N/A Not Applicable*

This month we're selling T. Rowe Price New Era and adding the proceeds to WCM Focused International Growth. Oil prices seem likely to stay in a trading range for a while. I'm watching JP Morgan Alerian MLP ETN closely for the next month. Hold the rest of the portfolio.

CSRSX is the best way to invest in REITs, which own different types of commercial property. The fund typically does a top-down assessment of the economy and then looks for REITs in the sectors most likely to benefit from the environment.

Fund management recognizes the mixed forces on the U.S. economy and stock indexes, so it isn't investing on a particular economic outcome. Instead, the fund is taking advantage of its detailed knowledge of the different companies and sectors in the REIT world to focus on the best-run companies with the most potential and selling at reasonable prices.

The fund is emphasizing REITs in residential housing, including apartments, single-family housing, manufactured housing and student housing. Management believes valuations are attractive in these sectors. Data centers and office buildings in select central business districts also are attractive. The fund holds less exposure to regional malls, shopping centers, other retail properties and health care properties.

The top sectors in the fund are apartments (20% of the portfolio), offices (17%), data centers (10%), health care (9%) and regional malls (9%). Top REITs in the fund are Simon Property Group (8.9%), Prologis (5.8%), UDR (5.5%), Apartment Investment & Management (3.8%), and AvalonBay Communities (3.8%).

We round out the portfolio with the safety of **DoubleLine Floating Rate (DBFRX)**. If the $100,000 minimum investment isn't for you, invest in the fund's N shares with the ticker DLFRX. The only differences are a lower minimum investment and higher expenses.

We don't want to own traditional bond funds, because they're going to lose value as interest rates rise. DBFRX avoids the risk of rising rates by buying bonds with floating or adjustable interest rates. The rate paid by the borrower fluctuates with a widely published benchmark rate, such as LIBOR, similar to the way credit card and home equity interest rates work. The fund still can lose value if the interest rates on the loans it holds don't reset quickly enough, the issuers aren't financially stable, or the market for a bond is illiquid.

The fund is focused first on preservation of capital. It does a careful credit analysis of each issuer and, unlike many other floating-rate funds, doesn't buy debt of low-quality borrowers to increase the fund's yield. For example, the fund avoided energy industry loans the last few years because of the decline in the price of oil. The debt owned by the fund is primarily bank loans, or leveraged loans, that were packaged and sold to investors.

The top borrowers recently were Albertson's, Cablevision, Nexstar Broadcasting, KIK Custom Products and Universal Services. The top industries in the fund are health care, computers & electronics, leisure

Retirement Paycheck Portfolio

Fund	Ticker	Allocation	12-mo. Yield
DoubleLine Floating Rate	DBFRX	50.0%	3.49%
DoubleLine Emerging Mkts FI	DBLEX	20.0%	4.17%
DoubleLine Income Solutions	DSL	15.0%	9.22%
JP Morgan Alerian MLP ETN	AMJ	15.0%	6.11%

**Returns are as of March 10, 2017 N/A Not Applicable*

Hold all positions at this time. I'm keeping a close eye on JP Morgan Alerian MLP ETN. Higher interest rates and lower oil prices brought the price down recently.

goods & activities, food products, and retailers other than food and drug stores. The duration of the fund is only 0.33 years. About 97% of the holdings are B-rated or better.

The recent yield was 3.49%. It returned 0.48% in the last four weeks and 0.68% so far in 2017. The fund's share price jumped 1.05% in the last three months and 5.86% in the last 12 months.

The Income Growth portfolio also holds **JP Morgan Alerian MLP ETN (AMJ)**, which is discussed with the Retirement Paycheck portfolio.

RETIREMENT PAYCHECK

The **Retirement Paycheck** portfolio had mixed results in the last month because Fed officials made it clear higher interest rates would come sooner rather than later.

In this strategy, we seek above-average income, because traditional retirement income vehicles don't pay high enough yields to generate decent income. We expand the investment choices to closed-end funds, preferred stock, master limited partnerships, utility stocks and others. We also intend to earn some capital gains. We avoid reaching for the highest yields, because those investments lose the most in bear markets.

We don't buy and hold investments in this portfolio. Many of these vehicles are about as volatile as stocks. We want to buy when prices are relatively low and reduce or sell positions when prices are high or the cycle appears to be turning against them.

Let's return to our discussion of oil prices. We are invested in master limited partnerships (MLPs) through **J.P. Morgan Alerian MLP ETN (AMJ)**. This is an exchange-traded note (ETN) that pays investors the total return and yield (minus expenses) of an index of the 50 largest MLPs ranked by market capitalization. An ETN is a promise to pay by the issuer, in this case J.P. Morgan. There aren't any assets other than the promise of J.P. Morgan backing the ETN. I like the ETN because it avoids the tax issues and complications of owning individual MLPs and has lower expenses than the mutual funds and other vehicles that also avoid the tax issues.

We bought AMJ last year after it was apparent that oil prices were recovering from their lows. MLPs operate pipelines, storage facilities and other energy-related services. They earn fees based on long-term contracts for their services, so they shouldn't fluctuate as much with oil prices as oil company stocks. Yet, the share prices of MLPs do change a lot of with energy prices.

AMJ followed this pattern recently. It declined 5.71% in the last four weeks. But it still is up 1.22% for the year to date and 30.92% for the last 12 months. The yield is 6.11%.

While I believe oil prices are stuck in a range for a while and that is a good reason to sell PRNEX, I'm not ready to sell AMJ. If oil prices stabilize, we'll still earn the ETN's generous yield and have the potential for appreciation if oil prices do increase. I'm recommending we hold the ETN, but I'm monitoring it closely.

Another investment that has pulled back a little after a good run is **DoubleLine Income Solutions (DSL)**. This closed-end fund is essentially the best of DoubleLine. The fund has the flexibility to pursue any income investment, and it uses leverage.

True Diversification Portfolio

Fund	Ticker	Alloc.	3 mos.	1-Yr.	3-Yr.	5-Yr.	10-Yr.
Total Portfolio		100%	4.52	14.74	2.56	4.22	4.03
Plus or minus S&P 500			-3.52	-10.23	-8.05	-9.85	-3.24
Price Capital Appreciation	PRWCX	11%	5.47	4.58	9.33	11.87	8.34
Price HY	PRHYX	11%	4.64	18.89	4.10	6.59	6.92
FPA Crescent	FPACX	18%	5.27	21.03	5.80	8.85	7.27
PIMCO All Assets All Auth*	PAUDX	10%	5.75	19.10	-0.28	0.53	3.97
Berwyn Income	BERIX	13%	1.49	9.76	2.69	5.65	6.70
Cohen & Steers Realty Sh	CSRSX	5%	8.30	16.50	11.21	11.27	4.87
PIMCO Real Return**	PRRDX	5%	1.59	4.86	1.07	0.42	4.13
Oakmark**	OAKMX	5%	5.75	34.15	9.45	14.62	8.96
William Blair Macro Alloc***	WMCNX	12%	3.18	5.50	0.14	3.18	NA
Leuthold Core Investment****	LCORX	10%	4.85	9.88	4.25	7.08	4.87

Returns longer than one year are annualized. *Added to the portfolio in February 2012 issue. **Added in the December 2014 issue. ***Added in the September 2015 issue. ****Replaced MainStay Marketfield in the June 2016 issue. Portfolio returns are as of February 28, 2017. Fund returns are as of February 28, 2017. N/A=Not Applicable.

Fund management anticipated higher interest rates and has positioned the fund to reduce the risk of loss from rising rates. The leverage has been reduced to about 26%, which is down from much higher levels. The duration of the bonds in the portfolio was reduced. The fund also moved away from government bonds and investment-grade corporate bonds. Instead, it primarily is in emerging market bonds, high-yields bonds, and floating-rate debt. These trade more on the credit quality of the issuers than on interest rate changes.

The strategy has worked well for the fund. It increased in value after the July 2016 lows in interest rates, while many other income vehicles lost value. It gained 31.92% over the last 12 months. But it lost 2.52% in the last four weeks, and that chopped the year-to-date return to 5.02%.

The good news is that the investments held by the fund haven't declined as much as the fund's share price. As a closed-end fund, DSL issued a fixed number of shares, and the price of the shares fluctuates with demand for them. The shares usually trade at either a discount or premium to the net asset value of the fund. The discount was 5.67% last month and now is 7.14%. So, most of the recent price decline was due to panicked selling by investors.

I believe DSL continues to be a good opportunity in this environment. We'll continue to hold it in the portfolio.

DoubleLine Floating Rate and DoubleLine Emerging Market Fixed Income were discussed earlier in this issue.

TRUE DIVERSIFICATION

The recent market environment showed the advantages of True Diversification. We don't have to figure out which assets will do well and which won't. We know we have a collection of quality funds, each of which will do well over time. But they'll have their best returns at different times.

That's the essence of True Diversification.

Most portfolios aren't really diversified, though their owners believe they are. Traditional portfolios, despite owning different investments, have 90% or more of their

Portfolio Performance

	Sector	Balanced	Income Growth	Retirement Paycheck	IWW ETFs
One Month	1.80%	1.69%	1.08%	0.62%	0.20%
Year to Date	4.53%	4.61%	3.01%	2.29%	0.10%
Last 12 Months	15.48%	12.69%	6.64%	15.64%	-5.97%
3 Years*	3.80%	2.19%	1.63%	8.28%	-10.48%
5 Years*	3.59%	2.41%	2.22%	7.20%	-4.02%
10 Years*	2.27%	1.20%	2.51%	N/A	1.33%
Compound Return	340.56%	297.62%	51.88%	68.31%	59.53

**Annualized. Returns are as of February 28, 2017. The Income Growth Portfolio was begun in July 2001. The Retirement Paycheck Portfolio began Dec. 2010. The IWW-ETF Portfolio began December 2005. Other portfolios began Jan. 1995.*

We had another good month in February in all the portfolios. We're off to a strong start to 2017 and also had a good last 12 months in everything except IWW-ETFs. So far, it doesn't appear that March will be as strong, but the month has a long way to go as we go to press. Balance, diversification, and a margin of safety should continue to reward us.

One-Stop Recommended Portfolios

		Alternative Funds			
RW Recommended Fund	**NTF Funds***	**ETFs**	**Fidelity**	**Price**	**Vanguard**
DoubleLine Floating Rate	DoubleLine Floating Rate N	First Trust Senior Loan	Floating Rate HI	Floating Rate	N/A
Cohen & Steers Realty Shares	Cohen & Steers Realty Shares	iShares C&S REIT	Real Estate Inv	Real Estate	REIT Index
Mairs & Power Growth	Mairs & Power Growth	Vanguard Dividend Appr.	Equity Income	Equity Income	Equity Income
DoubleLine Em Mkts Fixed Inc	DoubleLine Em Mkts Fixed Inc	iShares EM Corp Bond	Emerging Mkts Debt	EMkts Corp Bond	Em Markets Gov't Bond
Price New Era	Price New Era	SPDR Energy Select	Select Energy	New Era	Energy
Price Latin America	Price Latin America	iShares Latin American 40	Latin America	Latin America	Emerging Markets Stock
WCM Focused Int'l Growth	WCM Focused International Growth	iShares MSCI ACWI	Global Equity	Europe	Europe
JP Morgan Alerian MLP ETN	N/A	JP Morgan Alerian MLP ETN	Select Energy	New Era	Energy
DoubleLine Income Solutions	N/A	N/A	N/A	N/A	N/A

**Not all NTF funds listed are available from all the NTF programs. Some are more restrictive than others, and some funds do not want to be available on all the NTF programs.*

Simplify your investment life and probably improve returns for concentrating your investments at one or two mutual fund firms or brokers. It will be easier to track and manage your portfolio. The One-Stop Portfolios let you follow our margin-of-safety investment approach at the major fund companies and No Transaction Fee (NTF) broker programs. There is not always a good alternative to one of my recommended funds. Those cases are indicated by "N/A" in the table. In those cases, consider paying a fee to invest in my recommended fund or opening an account directly in that fund.

What's Up In Mutual Funds *Returns are as of March 10, 2017*

Funds	4-weeks	13-weeks	26-weeks	39-weeks	52-weeks	Tickers	Telephone
Dodge & Cox Stock	2.13%	3.70%	19.22%	25.36%	29.32%	DODGX	800-621-3979
Price Science & Technology	2.35%	8.71%	11.60%	23.76%	30.99%	PRSCX	800-638-5660
Dreyfus Small Company Value	1.23%	3.33%	21.00%	22.84%	34.71%	DSCVX	800-373-9387
Pin Oak Aggressive Stock	1.98%	3.17%	17.76%	22.68%	27.70%	POGSX	888-462-5386
Oakmark International	2.49%	5.80%	13.44%	23.08%	19.90%	OAKIX	800-625-6275
White Oak Growth Stock:Oak Assoc.	3.89%	6.02%	14.76%	20.02%	26.02%	WOGSX	888-462-5386
Oakmark	2.00%	3.14%	16.26%	21.85%	26.95%	OAKMX	800-625-6275
Harbor Value	3.27%	5.60%	14.72%	18.39%	24.79%	HAVLX	800-422-1050
Royce Premier	0.25%	3.49%	18.23%	20.98%	29.09%	RYPRX	800-221-4268
Vanguard/Windsor-X	2.54%	4.57%	16.08%	18.85%	24.24%	VWNDX	800-662-7447
T. Rowe Price Blue Chip Grth	2.89%	7.95%	12.88%	15.72%	19.53%	TRBCX	800-638-5660
Oakmark Select	0.95%	1.07%	14.42%	22.42%	27.87%	OAKLX	800-625-6275
Vanguard Primecap	3.10%	5.37%	11.91%	18.12%	21.78%	VPMCX	800-662-7447
Dodge & Cox International	1.61%	6.04%	10.83%	19.59%	20.95%	DODFX	800-621-3979
Dreyfus Disc Stock	2.13%	5.60%	14.64%	16.03%	22.02%	DDSTX	800-373-9387

returns and volatility tied to the major stock indexes. The other investments make minor changes in performance and volatility.

In our True Diversification portfolio, most of the funds have low correlations with the S&P 500. Some even are likely to rise when stocks are falling. The funds also mostly have low correlations with each other. That means at any time some funds are rising while others are falling.

The result is solid, steady returns over time. Our maximum losses during bad markets are much less than for traditional portfolios and stock indexes. Over the long term, we earn more than the S&P 500 with much less volatility. During periods when U.S. stock indexes have the highest returns, such as the last few years, the index does better than we do. But we'll more than make that up in the next market decline.

Every three months we take a deep look at the long-term progress of the portfolio. This month we'll hit some highlights.

In the last four weeks of market volatility, six of our funds have had positive returns while four had negative returns. The worst returns are from Cohen & Steers Realty Shares. It was doing well until it took a 3% dive on March 8-10. Price High Yield lost value recently, primarily because of falling oil prices. The recent decline in oil prices caused many investors to sell high-yield bonds.

Leading the pack have been Oakmark fund and Price Capital Appreciation. These are traditional funds that do well when U.S. stocks do well. The others funds with positive returns for the last four weeks are diversified, tactical asset allocation funds that were on the right side of recent market moves: William Blair Macro Allocation, Leuthold Core Investment, and FPA Crescent.

WHAT'S UP IN MUTUAL FUNDS

There are some changes in this month's ranking of the top-performing mutual funds.

The list still is dominated by U.S. stock mutual funds. But there are some changes

What's Down In Mutual Funds *Returns are as of March 10, 2017*

Funds	4-weeks	13-weeks	26-weeks	39-weeks	52-weeks	Tickers	Telephone
Vanguard Interm.-Term Treas.	-0.87%	-1.32%	-4.28%	-4.14%	-1.97%	VFITX	800-662-7447
Am. Cent. Target Mat. 2025	-0.93%	0.03%	-6.58%	-6.22%	-2.58%	BTTRX	800-345-7574
Vanguard REIT	-4.02%	-1.26%	-3.98%	-1.51%	3.82%	VGSIX	800-662-7447
Fidelity Real Estate Invstmt	-3.53%	-2.15%	-4.54%	-1.67%	2.36%	FRESX	800-544-888
Vanguard L/T Corp. Bond	-1.65%	-0.15%	-7.30%	-5.34%	1.90%	VWESX	800-662-7447
Price Intl Bond	-0.82%	0.73%	-8.96%	-7.07%	-2.32%	RPIBX	800-638-5660
Price Real Estate	-4.43%	-3.50%	-4.28%	-1.34%	1.41%	TRREX	800-638-5660
PIMCO Commodity Real Return	-6.24%	-4.30%	0.67%	-4.37%	8.25%	PCRDX	800-426-0107
Am. Cent. International Bond	-0.82%	0.17%	-9.34%	-8.45%	-4.30%	BEGBX	800-345-7574
Hussman Strategic Growth	-1.99%	-6.01%	-10.65%	-13.89%	-17.60%	HSGFX	800-487-7626
Vanguard Long-Term U.S.	-2.65%	-2.04%	-13.93%	-12.85%	-7.41%	VUSTX	800-662-7447
Am. Cent. Real Estate	-3.81%	-10.35%	-13.38%	-11.70%	-7.16%	REACX	800-345-7574
US Global World Gold	-13.72%	2.44%	-23.63%	-8.15%	33.16%	UNWPX	800-873-8637
Am. Century Global Gold Equities	-14.48%	5.27%	-18.55%	-16.15%	11.59%	BGEIX	800-345-7574
US Global Gold Shares	-14.75%	3.28%	-18.98%	-14.34%	11.91%	USERX	800-873-8637

Invest with the Winners Trading Strategy: Exchange-Traded Funds

Funds	Tickers	1-week	4-weeks	13-weeks	26-weeks	39-weeks	52-weeks
iShares DJ Broker	IAI	-0.41%	1.38%	3.52%	27.85%	40.37%	40.25%
DJ US Financial Services	IYG	-0.65%	3.91%	4.68%	27.85%	34.60%	39.41%
DJ US Technology	IYW	0.54%	3.33%	10.17%	17.17%	25.17%	27.75%
iShares MSCI Brazil	EWZ	-3.78%	-3.00%	13.10%	12.21%	36.42%	41.90%
PowerShares QQQ	QQQ	0.66%	3.54%	10.67%	15.98%	21.93%	25.03%
Nasdaq 100-Equal Weight	QQEW	0.04%	2.66%	9.55%	15.91%	21.37%	23.12%
SPDR - Technology	XLK	0.47%	3.49%	9.17%	15.06%	20.81%	23.89%
iShares Software Index	IGV	0.83%	2.86%	11.30%	12.86%	18.47%	28.39%
Austria - ishares	EWO	1.57%	2.69%	8.96%	11.99%	19.68%	17.28%
DJ US Financial	IYF	-1.34%	2.47%	3.34%	17.90%	22.27%	26.82%
Diamonds	DIA	-0.36%	3.16%	5.80%	15.61%	17.03%	21.44%
Netherlands - ishares	EWN	2.46%	6.55%	10.94%	8.64%	10.53%	9.67%
iShares S&P Latin America 40	ILF	-3.33%	-2.20%	8.20%	10.90%	25.38%	25.17%
SPDR - Industrial	XLI	-0.72%	1.71%	2.91%	15.27%	16.59%	21.84%
S&P 100	OEF	-0.08%	3.58%	5.92%	11.85%	13.80%	17.66%
iShares DJ Transportation Avg	IYT	-2.09%	-0.96%	-1.17%	18.98%	20.01%	21.32%
Spain - ishares	EWP	3.31%	7.27%	8.23%	5.98%	9.79%	3.53%
Russell 1000 Growth	IWF	-0.04%	2.87%	7.08%	11.48%	12.90%	16.57%
DJ US Industrial	IYJ	-0.67%	1.67%	2.76%	13.87%	15.39%	22.21%
S&P 500 Growth	IVW	-0.02%	2.93%	6.82%	10.58%	12.15%	15.97%
S&P 500 Value	IVE	-0.34%	2.68%	4.96%	11.47%	13.24%	17.32%
S&P 500	IVV	-0.34%	2.68%	4.96%	11.47%	13.24%	17.32%
S&P 500 SPDRs	SPY	-0.31%	2.67%	4.94%	11.45%	13.15%	17.23%

Returns are as of March 10, 2017

in the individual funds and their rankings because of changes in the performance of different sectors in the stock market. Energy, materials and real estate declined while technology, financials, health care and some consumer discretionary sectors did well.

Last month's top-ranked fund, **Fairholme**, owns only nine stocks and is down more than 13% in the last four weeks because of sharp drops in its largest positions. The St. Joe Co. declined along with most real estate stocks. In addition, Fannie Mae and Freddie Mac positions sank because of an adverse court decision.

WHAT'S DOWN IN MUTUAL FUNDS

The worst-performing funds in our rankings also saw a few changes.

Bond funds continue to predominate, but several sectors joined them this month. Funds focused on real estate investment trusts, commodities and gold mining company stocks suffered losses of 4% or more in the last four weeks.

INVEST WITH THE WINNERS

Last month, we again had a portfolio of four exchange-traded funds (ETFs) in the Invest with the Winners-Exchange-Traded Fund portfolio (IWW-ETF): **iShares Dow Jones U.S. Brokers (IAI), iShares Dow Jones U.S. Financial Services (IYG), iShares Russell 2000 Value (IWN),** and **iShares- MSCI Brazil (EWZ)**.

None of the funds triggered a sale between issues by closing below our thresholds (12% below the most recent closing high for EWZ, and 7% for the others.)

EWZ has negative returns for the most recent four weeks and week, so we will sell it. IWN also has negative returns for the recent periods and fell below the top 15 in the rankings. We'll sell it, too. We'll hold IAI and IYH.

We'll look at the other funds among this month's top four and determine if any qualifies for purchase.

iShares U.S. Technology (IYW) has positive returns for all recent periods, is third in the rankings and hasn't closed more than 7% below its recent closing high. We'll add it to the portfolio.

EWZ remains our fourth-ranked fund and doesn't qualify for purchase or retaining. So, we'll hold only three funds this month.

Sell IAI, IYG, or IYW if it closes more than 7% below its recent closing high between our monthly issues. The recent closing highs were: IAI: $53.78; IYG: $115.79; and IYW: $134.53.

Details about the IWW-ETF strategy, including the buy and sell rules, can be found in the free report sent to new members, *5 Easy Chair Portfolios to Fund Your Retirement Dreams*. It is also available on the members' section of the website by rolling over "Special Reports" at the top of the page and clicking on "Free Reports."