Dick Young’s Short Term Bull & Bear Portfolio (STBB)

One Man’s Opinion

Let’s see if STBB is for you.



You’re basically bullish on the stock market, and you have a nice chunk of cash handy that you hate to see withering away in your bank, earning squat.

You are going out of the country on an extended business trip, and you have no time to futz with your portfolio. Well, you and I are in the same boat. So I decided to share my most recent STBB short-term portfolio concept with followers to my reinvigorated *Young’s World Money Forecast*, first launched in 1978. *Young’s World Money Forecast* never died. It simply went on a 40-year vacation.

YWMF and I are now back at it. My goal is to encourage serious investors to start thinking carefully about their money and who they can work with over the next couple of decades to steer the family financial ship of state. YWMF is the perfect medium for me to share with you what I think is going on in the world. My

opinions are just that, so do your homework and make your own conclusions. I am pleased to be able to offer advice during your learning process, but at the end of the day, you need to be your own boss.

As head of global investment strategy for RIA Richard C. Young & Co. Ltd., I hope you will give the name Dick Young some worthy consideration in the years ahead.

OK then, we are off and running.

My guiding principle is to include only stocks from the Dow Jones Industrial Average. Why? Because it's like I am a DJIA insider. I've been in this business since what feels like the day ol' Charles Dow thought this Dow thing up. Slightly kidding, of course, but you get the picture.

Here's the basic deal. YWMF is all about the Dow—dedicated, you might say, to the Dow. I do not advise buying non-dividend-paying stocks to our clients, ever.

Did you know that every stock in the Dow pays a dividend? Or that long-term dividend-paying stocks offer better and more consistent returns than non-dividend-paying stocks? Serious investors, like I presume you are, simply sleep better, take less risk, and generally avoid the neck-snapping bear market volatility that is the bedmate of non-dividend-paying portfolios. No thanks to non-dividend-paying stocks, not tomorrow, not ever. We are long-term dividend and compounding disciples.

To reemphasize: My STBB portfolio includes only Dow dividend payers. I have followed the Dow, along with the leading and coincident economic indicators, for nearly five decades. I examine the monthly economic indicators under a figurative microscope to tenths of one percent. Back in the really old days, I forecasted both the leaders and the coincidents down to

tenths of one percent each month. As you can see, my association with the Dow and the economic indicators is long and intense.

I emphasize my cutting-edge research with the economic indicators because you, as an investor with a high investment acuity and a long track record of success, are perfectly cognizant of the direct hand-and-glove association between the economy and the stock market. Trust me, as the stock market goes, so goes the Dow, but with far less bone-crunching volatility and much improved results thanks to dividend cash flow.

So what's the play?

My complete playing field will include Dow stocks—longs/shorts.

If the Dow advances over the period in which my long/short Dow stock portfolio is open, the model will make money with the stocks that advance and will lose money with the stocks that decline. And the opposite will prevail for the short stocks.

If instead the Dow declines? My model will take profits in the shorted Dow stocks, and stay with the long Dow stocks until they recover and show a profit. Each of these stocks is a dividend-paying blue chip likely to increase its dividend in the year ahead. Based strictly on investing criteria, there is not a reason or a rush to sell the long positions.

In the end, everything equal, a pleasing experience in a low-risk environment figures to be the outcome.

Each week, I will review the model portfolio for potential changes. If no changes are required, I'll simply post No Changes for the week. At some point I'll close out the model portfolio, which I will note promptly on my new STBB strategy site page. No two-week delay as there is with the snail-mail print newsletter era. We are now in the digital age. And you will have me on your

side every day of every week. I am spending full time researching for our family investment firm’s clients and spending no time producing intelligence for the masses.

Debbie and I are off to Paris/Burgundy. Make it a good week.

Warm regards,



Richard C. Young