

# Model Shadow Stock Portfolio – Insights and a New Stock

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



## Model Shadow Stock Portfolio: Insights and a New Stock

Following the quarterly review of the Model Shadow Stock Portfolio, a stock was removed from the portfolio while a new stock was added. In addition, AAI president John Bajkowski offers his insights on the portfolio.

## Rebalancing Update: 4.5% Withdrawal Rate and Rolling Periods



Since 2011, AAI has been conducting ongoing analysis of hypothetical investment portfolios to test asset allocation and withdrawal strategies that the typical investor might follow. This article is a periodic update of this analysis. The purpose of this analysis is to show investors what the impact is of short-term market fluctuations, while reinforcing the need to have a long-term approach to investing.



## “Sell in May” Has Weakened as a Strategy

A longstanding adage among traders is to “sell in May and go away.” However, questions have arisen as to whether the attention given to the strategy has hurt its returns. Two German researchers looked at the returns for the Dow Jones industrial average and its underlying components to determine whether this is the case.

## Margin: A Portfolio Lever for Buying and Selling Stock



Borrowing money through a margin account to purchase securities can be a profitable and wise investment strategy. But debt creates financial leverage. This means that gains—and losses—in a margin account are magnified, and returns will vary considerably more than with full payment. An introduction to buying on margin and the associated risks.

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Our [Member Question](#) for this week is:

***Do you or have you ever traded on margin?***

[Vote Now »](#)

**Vote to answer this week's Special Question: *What do you see are the advantages and disadvantages of trading on margin?***

### Last Week's Results:

**In his first press conference since taking over as chairman of the Federal Reserve, Jerome Powell advised investors against reading too much into the central bank's dot-plot projection for interest rates in 2020, saying policy makers "don't have the ability to see that far into the future." How much weight do the Fed's interest rate projections carry in regard to how you invest or what you invest in?**

**Slight: 54%**

**None: 34%**

**Significant: 12%**

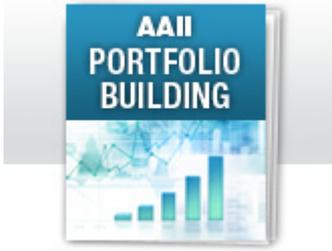
*Poll results are as of 9 a.m. (Central) on Monday. 1,887 respondents.*



[AAII Survey: Fed Rate Projections Have Little Impact on Retail Investor Decisions](#)

In his first press conference as Federal Reserve chairman, Jerome Powell downplayed the significance of the Fed's "dot plot" interest rate projections. We asked our readers how much weight they place on Fed interest rate projection when making their investment decisions. To follow up, the latest weekly special question asked how confident our readers are in the Fed's ability to assess the

economy when making interest rate decisions.



### [AAII e-book: Portfolio Building](#)

“Easier said than done” is a common saying that applies well to developing an overall strategy for your investment portfolio. The basic concepts are relatively easy, but they become more complex and less clear-cut when it comes to applying them to real-world situations. This e-book, available exclusively to AAI members, is designed to bridge the gap between theory and practice.

The AAI Weekly Digest is one of the many **benefits** of AAI membership. To learn more, consider a **30-day Trial AAI Membership** to start becoming an effective manager of your own assets.