Maybe I was bored, or maybe I wanted to write and there was nothing else to write about. In any case, in August, 2013, I **wrote** an investing advice article.

What was that doing on this website? You know, the website ostensibly devoted to government contracting matters? The one that is supposed to showcase expertise in case somebody, you know, wants to reach out and hire Apogee Consulting, Inc. What does investing advice have to do with any of that? Nothing.

Still: it happened.

In fairness to me, I was very clear that I was not any kind of investing guru. Any insight I had was the result of lots and lots of mistakes. As I wrote: "I claim no insight or insider knowledge or any expertise in this area whatsoever. So feel free to ignore my investing advice. I really have *no business* writing about the topic."

And hopefully many readers did indeed ignore my investing advice.

Just to recap: I offered a hypothetical portfolio of 100 shares of Ford, 100 shares of Bank of America, and 100 shares of Cisco. All of which cost less than $6,000 (before commissions). (Actually the portfolio would have cost $5,473.) I said: "for less than $6,000, you can have a stock portfolio that includes an American auto manufacturer, a finance company, and a technology company. That's not too shabby, in terms of diversification."

About eighteen months later, in April, 2015, we **updated** that hypothetical portfolio. The starting value had increased to $5,870, a gain of $397. In addition, you would have banked $240 in dividend payments during that timeframe. So you would have had a total return on investment of $637 or nearly 12 percent.

Now, another eighteen or so months later, we are going to revisit that portfolio. Here is the updated table.

Stock Picks

Aug. 26, 2013
Nov. 11, 2016

Share	No. of	Amount		
Share	Current	Gain or	Dividend	
				T
Stock	Ticker	Price	Shares	
Price	Value	Loss	Paid	
				R

Ford	F	$16.41	100	
$12.28	$1,228	$(413)	$130.00	
				$
Bank America	BAC	$14.49	100	
$19.02	$1,902	$453	$32.50	
				$
Cisco Systems	CSCO	$23.83	100	
$31.36	$3,136	$753	$141.00	
				$

Totals				
$5,473				
$6,266	$793	$304	$1,097	2

What does the table tell us?

Well, that Ford pick wasn’t so hot. We lost some money there. And even though we cashed some sweet dividends (which qualified for preferred tax treatment) it wasn’t enough to make up for the hit to the share price. Hopefully you were smarter than I was and you sold Ford after the last update and reinvested the proceeds into Bank of America or Cisco, or another company. But even if you didn’t do that, you are still up 20 percent on your original investment, because Bank of America and Cisco did nicely for us. If you had put all your eggs into the Cisco basket, you would now be looking at a ROI of more than 37 percent. And if you had decided to sell, your profits would have been taxed at long-term capital gains rates.

As you may recall, the object of the original exercise was to compare and contrast starting out in the equities market versus leaving your money in savings or in a CD. If you would have taken the safe, conservative, route, you would have made maybe one or two percent on your funds—and that return would have been fully taxable. We believe we've made our point.

Looking forward, I have no better crystal ball than anybody else. I have no picks to offer you, no sure winners guaranteed to make you rich. In fact, I continue to lose money on some stocks (like Ford) while doing better on other choices (like Cisco). I have no insight that's better than anybody else's.

Still … it seems pretty obvious that interest rates are going up in the near term. What that means to me is that equities are going to offer better returns than bonds will (since bond prices move inversely to interest rates: when one goes up the other goes down). I am going to stay out of bonds until the yields increase to the point where they start to compete with equities. That could be a couple of years. Meanwhile, when I pick stocks to buy, I'm going to look for companies that will benefit from higher interest rates. That's as much of a forecast as I can offer.

Again, though, I need to emphasize that I don't do this stuff for a living and I am not offering any financial advice here. Find yourself a good financial advisor, one you can trust, and listen to them. Don't listen to me.

But it you had listened to me and moved $5,500 or $6,000 from a CD into the stock market, and if you had picked the three companies I listed in a hypothetical small dollar value diversified portfolio, well, you would be doing pretty well by now.

Must be luck, I guess.