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Wealth managers offer likes, dislikes, insights

By **Tom Henderson**



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Sixteen wealth managers talk about what investments they currently like and don't like, and offer up their insights:

Wealth managers take wait-and-see approach to tariffs

John Augustine

Chief investment officer, Huntington Private Bank, Columbus, Ohio

Likes: U.S. large- and mid-cap stocks; industrials; energy; materials;

O'Reilly Auto Parts; Costco;
Home Depot; TJ Maxx



Dislikes: Foreign markets; consumer staples; telecom; real estate investment trusts; utilities

Insight: "Next year, as the Fed continues to raise interest rates, cash will be an asset class, again, after nine years. You're going to go from 1 to 2 or 3 percent on what you can earn. That doesn't sound like much, but it's been at zero."

The impact of tariffs could be catastrophic for the economy, but most area wealth managers think China and the U.S. will negotiate their way out tariff trouble soon.
[Read story.](#)

Scott Bork

Senior vice president and director of investments, Chemical Bank, Midland

Likes: Domestic large- and small-cap stocks; consumer discretionary; technology

Dislikes: Emerging markets; established foreign markets; long-term fixed income securities; utilities; consumer staples

Insight: "We like gold and silver for our younger clients who are more risk tolerant, the rising stars at Dow Chemical and Dow Corning."



Mike Dzialo

Founder, president and chief investment officer, Managed Asset Portfolios LLC, Rochester

Likes: Consumer staples; short-term bonds; First Pacific Co. Ltd. of Hong Kong, a holding company with operations in consumer food products, infrastructure, natural resources and telecommunications; Grain Corp. of Australia, a storer and shipper of a wide range of grains and a supplier of malt to the beer industry worldwide; Bunge Ltd. of White Plains, N.Y., a supplier of grains and oilseeds and a producer of consumer food products

Dislikes: Energy; commodities; U.S Treasuries; high-priced tech stocks



Insight: "We've been in a bull market since March of 2009. It's the second longest bull market in history. We're in the eighth inning. Maybe we can go to extra innings. But it's time to pay attention to valuations. Facebook, Amazon, Netflix and Google are great companies, but look at the prices people are paying, and you have to scratch your head and say it doesn't make sense."

Kevin Granger

Senior vice president and senior investment adviser, PNC Bank, Troy

Likes: Energy; domestic small-cap stocks; regional U.S. banks; infrastructure; master limited partnerships in the energy industry; intermediate-term bonds

Dislikes: Telecom; utilities; consumer staples

Insight: "We don't see a recession happening this year or next year. Not until 2020, at least."



Leon LaBrecque

CEO, LJPR LLC, Troy

Likes: Emerging Asian markets of Indonesia, Malaysia and the Philippines; Europe and Great Britain; infrastructure; 3M; Caterpillar; financials and regional banks

Dislikes: China; Japan; pricey tech stocks such as Facebook, Amazon, Netflix and Google

Insight: "I like small-cap stocks because they will be hurt less by tariffs and benefit more from tax cuts. And I like emerging Asian markets because they are immune, for now, from Trump's anger."

Aubrey Lee Jr.

Sales manager of Merrill Lynch's Aubrey Lee Jr. and Julius Readus Group, Farmington Hills; first vice president, Merrill Lynch Wealth Management/Bank of America

Likes: Information technology; commodities, which provide a hedge against inflation; financials; domestic large caps

Dislikes: Real estate; consumer discretionary



Insights: "We see housing being at the end of a long bull market."

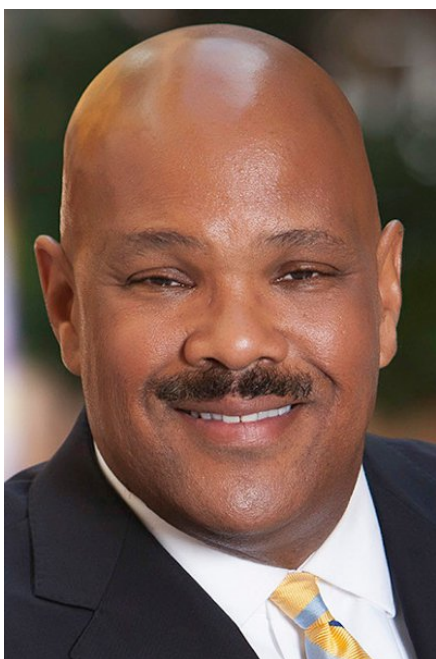
Anne MacIntyre

President and CEO, Annie Mac Financial LLC, Sterling Heights

Likes: Domestic small-cap stocks; financial stocks; consumer discretionary; emerging markets; investment-grade corporate bonds

Dislikes: Developed international stocks; developed international bonds; long-term Treasuries

Insight: "Financials should be helped by rising interest rates."



Howard Margolis

Senior vice president and Midwest market leader, Citizens Bank Private Wealth Management, Southfield

Likes: Senior bank debt; international developed stocks, particularly Europe; hedging strategies

Dislikes: Domestic large caps; fixed-income securities; mortgage-related investments

Insight: "We're concerned about inflation and wage pressure. There are more job openings than people seeking jobs."

Nancy Meconi

Partner, Plante Moran Financial Advisors LLC, Auburn Hills

Likes: International equities, including emerging markets; U.S. large caps; master limited partnerships in the energy industry

Dislikes: Long-duration bonds; high-yield bonds; market timing

Insight: "We don't see a recession in the next year or so, but corrections are normal, and volatility has returned to the market after being absent in 2017."

Reuben Rashty



Managing director, head of private banking in Michigan for Fifth Third Bank, Detroit

Likes: U.S. equities; technology; energy

Dislikes: Utilities; international emerging markets

Insight: "The Federal Reserve assumes it will raise interest rates four times this year, which is why we are underweighting utilities, which are interest-rate sensitive. The Fed needs to get rates higher so it can bring them back down if a recession hits."

Jim Robinson

CEO, Robinson Capital LLC, Grosse Pointe



Likes: High-yield corporate bonds; General Motors; emerging-market ETFs (exchange-traded funds); municipal bonds; tax-exempt closed-end funds

Dislikes: Equities in general; U.S. Treasuries; real-estate investment trusts; utilities; agricultural commodities

Insight: "Autonomous vehicles are going to be upon us, and what that will mean for the industry is dramatic. Computing speeds have finally caught up with the idea. It cost \$1 billion to unwind a DNA strand the first time. It cost \$500 million to do it a second time. Now, you can get it done for \$50. Everyone is talking about Tesla, but where autonomous vehicles are really going to have an impact is fleet sales. The biggest flaw, now, in the Lyft and Uber model is the human component."

Peter Schwartz

Principal, Gregory J. Schwartz & Co., Bloomfield Hills

Likes: Small-cap domestic stocks; well-established large-cap foreign stocks; dividend-paying value stocks; high-yield bonds

Dislikes: The high-priced FANG stocks of Facebook, Amazon, Netflix and Google; gold

Insight: "Small-cap stocks benefited disproportionately from tax cuts, and they don't have tentacles with an overseas reach. If there is a hiccup with trade, it will basically affect large-cap national stocks. Small caps have led the way so far this year and will continue to do so."



Peter Sorrentino

Chief investment officer and senior vice president, Comerica Inc., Dallas

Likes: Small-cap domestic stocks; emerging markets; technology; consumer discretionary; financials; manufacturing that serves the aircraft, locomotive, Class A truck and natural-gas pipeline industries; small and medium-sized agriculture companies as people in improving economies in emerging markets improve their diets

Dislikes: China; Russia; Japan; western Europe; long-term bonds; U.S. Treasuries as government holds larger auctions to support fast-rising government debt

Insight: "Emerging markets have been a victim of a rising dollar and people have abandoned those markets. We thought they were attractive before, and they are much more attractive, now. There's still a lot to be done in Latin America, but there's been significant reforms. There's a new administration in Mexico and very positive signs in Chili, Argentina and Brazil. And Ethiopia, Zimbabwe and South Africa are attracting foreign capital."



David Sowerby

Managing director and portfolio manager, Ancora Advisers LLC, Bloomfield Hills

Likes: Smaller U.S. domestic companies less likely to be affected by tariffs than large companies; commodities; yield producing master limited partnerships in the energy sector; emerging markets; infrastructure

Dislikes: Credit-sensitive high-yield bonds; fixed-income securities; the FANG stocks of Facebook, Apple, Netflix and Google

Insight: "Tariffs are one headwind for the economy. A second headwind is that debt levels in the public sector and in the private sector are starting to get extended. A third headwind? The Federal Reserve is tightening monetary policy and raising interest rates, which is creating a weakness in the bond market. When you used to de-risk your portfolio, you sold stocks and bought bonds. That has been the playbook since the early 1980s. Not anymore."

Melissa Spickler



Managing director, Merrill Lynch's Spickler Wealth Management Group, Bloomfield Hills

Likes: Technology; financials; healthcare; materials; green energy of solar and wind; domestic small caps

Dislikes: Anything international

Insight: "I love anything that represents what the future looks like. Self-driving cars will be much bigger than anyone ever dreams. You have to get in, now. And I love ESG investing. Environmental, social and governance investing, which is social-impact investing. So many clients are interested now in doing the right thing and protecting the planet."

Lyle Wolberg

Partner, Telemus Capital LLC, Southfield



Likes: Alternative investments that have low correlation to the stock market, such as reinsurance portfolios and catastrophe bonds issued by insurance companies to limit their exposure to catastrophic losses; companies that do consumer-direct lending; domestic and international small caps; short-term bonds.

Dislikes: Long-term bonds; lower quality high-yield bonds; variable annuities.

Insight: "One of the big themes we've been talking about with clients is the continued aging of the developed world and how that will affect economies. There's going to be a lot less spending. Also, as this market rally continues, there is more importance in rebalancing portfolios. You have to take some profit when you get a nice run."





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