

INVESTMENT FORUM AGENDA FOR WEDNESDAY, MAY 29, 2013, AT 10:30AM

We are meeting at 10:30 AM in TA-1 through June 5. We will not meet on June 12.
The Summer session begins on June 19, at 11:50 AM

Market Perspective. A (rare) down week, with the DOW off 0.3%; the S&P and NASDAQ both down 1.1%. Hints that the Fed may reduce its bond-buying, and softness in China seem to be the main causes.

But . . . the market went up on for the 19th straight Tuesday! Buy on Monday, sell on Wednesday . . .

Risk Tolerance. Jack Ryan and Elizabeth O'Beirne, from Dominion Wealth Management, will discuss risk tolerance. Other topics that they may present in future sessions include evaluating and selecting investment advisors and other topics.

Stock Talk. Tom will discuss General Electric (GE) which may not be fully valued . . . a rarity among today's well-known companies.

Fund Talk. Time permitting (not likely) I will talk about Powershares S&P 500 High Dividend ETF (SPHD), tied to an index of high dividend, low volatility stocks. I will see how it compares to other popular high dividend equity ETFs: SPDR S&P Dividend ETF (SDY) and I Shares Dow Jones Select Dividend ETF (DVY.) This topic will "keep" if we don't get to it.

Altria (MO) follow-up. In our discussion on Altria two weeks ago, we noted a strange number from Morningstar, a negative market value/book value. That number is now a positive number, 20.9, or a market value of nearly 21 times the book value of the company. The book value of Altria is so low (\$3 billion, compared to the market value of \$74.5 billion, because of a very large offset to equity from a stock buy-back. Accounting rules often distort financial reports. (I found this information in the Altria Annual

Report, which was easy to locate.)

Buys and Sells.

Buys

Sandy Spring Bancorp (SASR) - Local bank.
Market cap \$541M. P/E 11.4. 2.6% dividend.
Apple (AAPL) - 3 buys
Wells Fargo (WFC) - P/E 10.2. 2.5% dividend
James River Coal Company (JRCC)
Rite Aid (RAD) - price tripled since 12/12
Vanguard Dividend Growth Fund (VDIGX) - 5 Morningstar stars. 1.93% TTM (trailing twelve month) yield
Vanguard Wellington (VWELX) - 5 Morningstar stars. Large cap value. 2.55% TTM yield.
DryShips, Inc. (DRYS) - Oil tankers (PAD)
Mark West Energy (MWE)
Enbridge Energy Management (EEQ)
Kinder Morgan Management (KMR)

Sells

General Electric (GE)
Genuine Parts (GPC)
Global X Permanent ETF (PERM) - 17% gold
Williams MLP
Sunoco MLP
Facebook (FB)
American Agency (AGNC)
Weingarten Realty Investors (WRI)
I Shares U. S. Preferred Stock ETF (PFF)

Thinking About . . .

SPDR S&P 500 ETF (SPY)
Lowe's (LOW)
Apple (AAPL) - 2 thinking about
Transocean (RIG)
Read latest Fortune 500 edition
Berkshire Hathaway (BRK.B)