

INVESTMENT FORUM AGENDA FOR WEDNESDAY, MAY 17, 2017 10:30AM,

TALLWOOD, TA-1

The Forum will meet as a “club” on May 17, May 24, May 31, and June 7, at 10:30AM, in Tallwood. There is no registration for “club” meetings. The Summer Term begins on June 14.

Registration for the Summer Term (June 12 to July 28) runs from May 16 to May 24, 12 Noon

Market Perspective. For the week, the DOW was down 0.5% the S&P was down 0.4%; and the NASDAQ was up 0.3%. Bad numbers from the retail sector continued. Otherwise markets continue to be immune from political high-drama.

Jensen Quality Growth Fund (JENSX). Tom Crooker will follow-up on a previous discussion of JENSX. This fund is *not* managed with the goal of beating the S&P 500 Index. Rather, it maintains a small portfolio (25 to 30 stocks) that each have delivered a minimum of 15% return-on-equity for at least the past decade without interruption, have wide economic moats, strong balance sheets, strong free cash flow, pay rising dividends, etc.. The manager of this fund appeared on the PBS *Nightly Business Report* last Friday with three of his top choices for current buying. These three stocks (Becton Dickinson, Emerson Electric, and Oracle) will be examined to determine whether they merit consideration in the current market. (If our discussion of the retail sector does not leave time for this topic, we will have it next week or shortly thereafter.)

“Buy Europe.” That was the headline in this week’s Barron’s. Quoting, “Foreign stocks are much cheaper than U. S. shares, and now that growth is picking up around the globe, its time to start buying.” What do you think? Europe has been generally bad-mouthed at the Forum for several years, with Brexit, weak economies and debt woes in Greece, Italy, and Spain, and threats to the Euro. We still have Brexit, and its unknowns, but it seems that otherwise, things have improved or have stabilized in most of the Eurozone. We will look at some Europe and European country funds, including some that are “currency hedged,” to reduce the impact of changing currency valuations.

Buys and Sells (week ending 5/10/2017)

Buys

Yum China Holdings, Inc (YUMC) - add to. Chinese Pizza Hut, KFC, etc. MC: \$13B

Finjan Holdings (FNJN) - cybersecurity. MC: \$60M

T Rowe Price Small-Cap Value Fund (PRSVX)

T Rowe Price Dividend Growth Fund (PRDGX)

Janus Balanced Fund (JABAX)

General Electric (GE) - "has everyone who wants to sell already out?"

IBM - "thank you, Warren Buffett"

Cardinal Health (CAH)

NVIDIA (NVDA)

Sells

CBS Corp (CBS)

CVS (CVS)

Fidelity Select IT Services (FBSOS)

Amgen (AMGN)

Thinking About . . .

Business Development Corporations

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