

INVESTMENT FORUM AGENDA FOR WEDNESDAY, MAY 31, 2017 10:30AM,

TALLWOOD, TA-1

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

Market Perspective. Markets were up “bigly” last week, with the S&P and DOW ending at all-time highs. For the week, the DOW was up 1.3%; the S&P up 1.4%; and the NASDAQ up 2.1%. Since the big one-day drop on May 17, markets seem to want to ignore negative news. If that’s not a formula for trouble, what is?

Business Development Companies (“BDCs”). BDCs, which I don’t believe have ever been discussed at the Forum, are “closed-end investment companies that lend to and invest in small and mid-sized companies.” We will look at what they do, and how they are structured and taxed, and several examples. BDCs have large distributions, but high risk.

Allied Capital Corporation. Speaking of BDCs, Tom Crooker will examine his near-death experience with Allied Capital, a BDC that went out of business in 2009, and what went wrong. I will add to the conversation about the boring, but important topic of loan valuations for lenders.

Morningstar Dividend Investor. For you fans of MDI, what do you think of MDI since Josh Peters departed? Are Mike Hodel and David Harrell his equal? What changes, if any, do you see to the newsletter? Is it still worth reading?

Buys and Sells (week ending 5/24/2017)

Buys

Enbridge Energy Partners (EEP)

Vanguard FTSE Europe ETF (VGK)

JD.Com ADR (JD) - China Amazon. MC: \$58B

Tencent Holdings Ltd ADR (TCEHY) - China telecom. MC: \$337B

Yum China Holdings (YUMC)

Technology Sector Select ETF (XLK)

Vanguard High Dividend Yield ETF (VYM)

IShares S&P Mid-Cap ETF (IJH)

Sells

Enterprise Products Partners LP (EPD)

American Funds Income Fund of America (AMECX)

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