

INVESTMENT FORUM AGENDA FOR WEDNESDAY, SEPTEMBER 6, 2017 10:30AM, TALLWOOD, TA-1

We will be meeting as a “club” on September 6 and 13, at 10:30AM at Tallwood, TA-1. There is no registration for club meetings. The Fall Term will begin on Wednesday, September 20, at 11:50AM, at Lord of Life.

Market Perspective. A good week, with the DOW, S&P, and NASDAQ up 0.8%, 1.4%, and 2.7% respectively. As perverse as it sounds, Harvey may have eased conflicts over the debt ceiling, budget battles and shutting down the government, and pressure on the Fed to raise interest rates. Natural disasters, like war, stimulate the economy. Bloated car inventories? Send them to Texas! They need half-million cars. And lots of furniture, drywall, and carpet.

Because the DOW finished the week of August 4 above 22,000, we will celebrate “DOW 22,000” sometime after the beginning of the Fall term, with our traditional sheet cake, courtesy of Ed Swoboda.

What Do Vanguard’s Directors Own? Given the importance of Vanguard in the funds’ industry, what do Vanguard’s Directors own? Do they eat their own cooking? Jim Dann pored through the fine print in a Vanguard proxy statement in an effort to learn which funds and sectors, in actively-managed funds or index funds, etc. — as well as to learn what they are avoiding. There were a few surprises. He’ll share his findings with us.

Buy/Sell List. I have included the the three most recent Buy/Sell lists. We will discuss them. Ideally, you can ask questions about stocks or funds being bought or sold, and the member who did the transaction will respond. The problem: he/she may not be here this week, or he/she does not wish to respond. We can also look at the stocks or funds that you wish to discuss, on Morningstar and other websites.

I have several observations on the two lists.

- A significant bet on energy, via MLPs.
- Buying of high-yielding investments, mainly REITS - which we discussed some last week.
- Charles Murphy will discuss the two call option sales, his strategy, and how he hopes to profit.
- I have noticed that mutual funds appear to have been sold over the past several years. Are you selling mutual funds because of weak performance of the fund, or high fees, or shifting to self-managed portfolios, or something else?

Upcoming Topics. Over the next few weeks, I would like to discuss: emerging markets stocks and funds, which have been on a tear; Japan, which seems to have gotten its mojo back, after 27 years in the doldrums, and the new DOW/Dupont (DWDP) and where is it going? Input is invited.

Buys and Sells

Buys

(3 weeks ending 8/16/2017)

Enterprise Products Partners LP (EPD) - 2 buys
Oakdale Resources (OAR) - Australia mineral exploration. MC: \$2.7M. (???)
Procter & Gamble (PG)
Roche Holding AG ADR (RHHBY)
Parnassus Mid-Cap (PARMX)
PIMCO Income (PONDY)
Magellan Midstream Partners (MMD)
General Electric (GE)
Alibaba (BABA)
Hormel (HRML)
Omega Healthcare Investors (REIT) - OHI
New Residential Realty (NRZ)
National Retail Properties (NNN)
EPR Properties (EPR)
Facebook (FB)
Berkshire Hathaway (BRKB)
Brighthouse Financial (BHF) - MetLife spin-off
Vanguard Short-Term Corporate Bond ETF (VCSH) - add to

(Week ending 8/23/2017)

MPLX Partnership Units (MPLX)
Enbridge Energy Partners (EEP)
Freeport McMoran (FCX)
iShares Edge MSCI Minimum Volatility EAFE ETF (EFAV) - global stocks. 4% yield
Olin Corp (OLN)
iShares Gold Trust (IAU)
New Mountain Finance (NMAC) - Investment management. 9.5% yield. MC: \$1.1B
EPR Properties (EPR) - REIT. 5.8% yield. MC: \$5.1B
Tanger Factory Outlets (SKT) - 5.5% yield
AbbVie (ABBV)
Amgen (AMGN)

(Week ending 8/30/2017)

Builders FirstSource Inc (BLDR) - building supplies. MC: \$1.9B
IBM (IBM)
National Retail Properties (NNN) - REIT. MC: \$6.2B
Tanger Factory Outlets (SKT)
Waste Management (WM) - MC: \$34B
Teucrium Corn ETF (CORN)

Sells

(3 Weeks ending 8/16/2017)

Scripps Networks (SNI)
Leucadia National (LUK)
Discover (DFS)
General Electric (GE)
Energy Transfer Partners (ETP)
JP Morgan Alerian MLP ETN (AMJ)
Fidelity Floating Rate High Income (FFRHX)
Teva Pharmaceuticals (TEVA)
Central Securities Corporation (CET)
Homestead Small Company Stock (HSCSX)
Sell to Open 6 BRK/B 12/15/2017 \$100 Calls
Sell to Open 3 Disney 10/20/2017 \$115 Calls

(Week ending 8/23/2017)

JebBlue (JBLU)
Sanofi (SNY)
Vanguard Total Bond Market (VBTLX)
Apple (AAPL) - 10% of position
Hartford Growth Opportunities Fund (HGO CX)
Fidelity Advisor Consumer Staples Fund (FDCGX)

(Week ending 8/30/2017)

Abercrombie & Fitch (ANF)

Thinking about . . .

Mining and Metallurgical Company ADR (NIL) - ? MC: \$27B
Johnson Controls (JCI)
JM Smucker (SJM)

Al Smuzynski
Investment Forum Moderator
asmuzynski@verizon.net

