



THE OXFORD COMMUNIQUE

WITH ALEXANDER GREEN

GREAT PROFITS IN THE COMPANY OF GOOD FRIENDS | APRIL 1, 2017, VOLUME 30, NO. 4

The Oxford Club

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Time to Buy the Leading Mobile Social Media Platform

... In the World's Second-Largest Economy

Dear Member,

Whenever you hear economic news from China, it's generally the bad kind.

No doubt you've heard about the economic growth that is slowing, the property bubble that's about to burst, the "risky banking sector" that has yet to implode and the Chinese currency that is kept artificially low against the dollar.

These financial scare stories – like most – are overdone.

Yes, China has economic problems, as does Germany, France, Japan, the United States and every other country on Earth. But have you heard the other side of the story, too?

China is not just the fastest-growing major economy but the second-largest economy in the world. It is the primary consumer of most commodities and a key driver of global growth.

Moreover, the country is rapidly transitioning from an export powerhouse to an economy led by domestic consumption. Consumer demand and wage growth are robust. The service sectors are expanding rapidly, too.

At some point the question becomes "As an investor, how are you taking advantage of this?"

If you're drawing a blank, let me fill it in.

In scouring Chinese equity markets, I have uncovered one of the fastest-growing social media companies in the country. Less than three years from its IPO, it has already gained hundreds of millions of users.

Sales are growing at a high triple-digit rate. Earnings are quadrupling. And for reasons you'll soon see, the share price is next. That's why the company is the newest addition to our Ten-Baggers of Tomorrow Portfolio.

The Biggest Consumer Story

For more than three decades, China grew at an annual rate of roughly 10%.

But no country grows at that kind of heady rate forever. And in recent years, China's growth



ALEXANDER GREEN

has slowed. This year it will grow at 6% to 6.5%, still three times as fast as our own economy.

According to HSBC, China consumes more than half of all global aluminum and nickel production and is on track to surpass the United States in total demand for oil.

China has become an increasing source of U.S. corporate sales growth. For example, five years ago, China accounted for only 11% of Apple's revenue. Last year, it accounted for over 25%.

China has also transformed itself from a world-class exporter into the world's biggest *importer*.

Indeed, today it is both the world's leading exporter and the world's leading importer.

Domestic consumption will make up roughly 60% of China's GDP growth this year.

China now produces thousands of components it never produced before, all the way up and down the value chain, from low-value-added goods like steel to much-higher-value-added products like precision parts.

Chinese consumers now buy more automobiles each year than Americans do.

The country's oil production is massive. (It's currently No. 4 in the world.) Yet it still meets only half of the country's demand.

Think the Chinese are poor? Indeed, millions are.

But hundreds of millions are not. China is the world's largest consumer of luxury goods! It buys 46% of all luxury goods sold worldwide.

China is now the fourth most popular tourist destination. And the Chinese themselves – tens of millions of them – are now traveling abroad, too. It is estimated that 133 million of the country's tourists vacationed overseas last year.

And consumer confidence there is at record highs.

The Chinese are rapidly buying homes, cars, computers, smartphones, appliances, financial services and healthcare services.

China is now responsible for 15% of world GDP. And it is expected to hit 20% in five years.

And according to Jim O'Neill, the former British Treasury minister, China's annual consumption is growing at 10% a year.

“China is easily the world's biggest consumer story – and one of its premier investment opportunities.”

China is easily the world's biggest consumer story – and one of its premier investment opportunities. A leading global analyst at Goldman Sachs calls it “the best story in the equity universe.”

And one of the best ways to play it is with social networking leader **Momo Inc.** (Nasdaq: MOMO).

Business Is Booming

Based in Beijing, Momo operates a revolutionary mobile-based social networking platform that enables users to establish and expand social relationships based on location and interests.

You're not familiar with Momo?

That may be because the company launched only in August 2011. Yet it has already become a part of daily life in China as one of the country's leading social media platforms with more than 180 million users.

The Momo mobile app – which features messaging, photo sharing, games and location-based services – is free.

But the company also offers users a premium subscription package with additional functions and privileges.

And because Momo encourages users to provide detailed personal information, it is also rapidly attracting advertisers.

Its newest innovation is live video.

Momo CEO Yan Tang says, “Live video opens up many doors for us other than simply being

a revenue engine. We believe we are only at the beginning of a golden age where live video converges with social activities.”

This is particularly big news in the world’s second-largest economy, where millions are still joining the middle class each year.

These folks now have the discretionary income to buy a smartphone. And social media is booming with the widespread acceptance of tablets, smartphones and other handheld devices.

Momo’s initial public offering – underwritten by Morgan Stanley – took place on the Nasdaq in December 2014. Since then, the company has grown prodigiously.

In early March, for instance, the social network company reported that fourth quarter earnings jumped 1,274% on a 524% increase in sales. The stock surged more than 12% on the news.

Near-term prospects remain strong. Momo now has 81.1 million active users, compared to 69.8 million a year ago. And management believes sales will grow 377% in the current quarter.

Don’t be alarmed that the stock is trading at

roughly 90 times trailing earnings. It’s selling for less than 25 times prospective earnings. And, if anything, that estimate is too conservative.

While American investors have been slow to learn about the growth of Momo, local investors have not.

Chinese e-commerce giant Alibaba, for instance, was an early investor and still owns over 23% of the firm.

There was even talk last year of Momo going private, with Alibaba helping to provide the financing. But the company has since called off any near-term privatization.

That means Western investors can still benefit from the prodigious growth in the Chinese middle class, mobile devices and social media.

And Momo is the best way to play it.

Action to Take: *Buy **Momo Inc.** (Nasdaq: MOMO) at market. As with all the stocks in our Ten-Baggers of Tomorrow Portfolio, we will notify you with a Safety Switch Alert if we make a sell recommendation. ■*

Why Isn’t Everyone Cashing In on This?

In a zero percent interest rate environment, extra income doesn’t come easy.

But there is one way to earn extra money that you may not have considered before. In fact, thanks to [this passive income “secret,”](#) you could bring home as much as an extra \$7,783 *this month*.

To see how it works and how you can get set up, [click here](#) now.



Why You Should Love These Greedy &%\$#@*s

Alexander Green, Chief Investment Strategist, The Oxford Club

Too many Americans have the wrong idea about Wall Street.

They view the industry as a bunch of greedy, reckless money grubbers. And, OK, I've known a few who met that description.

But Wall Street is also home to the world's premier financial innovators, people who – in addition to getting rich – are making your life simpler, easier and wealthier.

If you're drawing a blank right now – or wondering what the heck I'm talking about – it may be because you've fallen under the spell of the populists.

Last October, for instance, President Obama scolded investment banks for gobbling up the brightest college graduates...

"Too many potential physicists and engineers spend their careers shifting money around in the financial sector," he said, "instead of applying their talents to innovating in the real economy."

Hmm. Turns out the financial sector – which accounts for nearly a fifth of our national GDP – is not even *the real economy*. Who knew?

Yes, Wall Street snaps up the lion's share of Ivy League graduates because the compensation there is the highest.

(I'd argue this is a good thing and the kids majoring in gender studies, nautical archaeology or Egyptology – instead of learning a financially valuable skill – are the ones making a mistake. But that's a conversation for another day.)

There are detractors on the other side of the aisle, too. During his campaign, Donald Trump railed against Wall Street bigwigs and hedge fund managers, calling them "guys that shift paper around and get lucky."

Isn't it good to know that – even if we live in a

divided country – we are still united in our hatred of Wall Street?

Here's a different perspective...

Solving Real Problems

The history of human enterprise is also one of financial breakthroughs. The invention of money, the advent of credit and the creation of stock exchanges were hugely innovative responses to fundamental, real-world problems.

Finance fosters trade, reduces risks and creates new enterprises. Without finance, the modern world wouldn't exist. Indeed, it could never have come into being.

Money itself was the original financial breakthrough.

I've often tried to imagine the first man to accept a note in a transaction. I picture a grizzled farmer with a skeptical look on his face saying, "Let me get this straight. You want to take my cow and" – snaps paper a couple times – "give me *this*?"

It had to happen. We can't live in a barter society.

Finance gives consumers and business owners the ability to make things happen now. It enables capital to flow from savers to investors to entrepreneurs.

Markets have incredible potential for implementing positive change. They harness human ingenuity. They connect those with money to those with moneymaking ideas.

Yes, the history of Wall Street is full of fear and greed, manias and crashes, fraud and deceit, get-rich-quick schemes, and get-poor-quicker speculations.

There are titanic sums washing around the financial markets. So Wall Street would tend toward

excess even if it were populated by saints. (And this is an industry notoriously short on halos.)

Moreover, the recent financial crisis was a classic example of how Wall Street's complex dealings can sometimes undermine the public interest.

Yet financial innovation is indispensable. Markets are what make the economy – and ultimately everything else – run. They bridge the gap between the present and the future. They provide a store of wealth.

And in today's world, they help us share and manage risk.

It's All Around Us

Some people say they don't see any financial innovation. But they don't recognize it for the same reason fish don't notice water. It's all around us, permeating our existence.

Consider just a few things that didn't exist when I was born a little over a half-century ago:

- Automated teller machines
- Discount brokers
- Adjustable-rate mortgages
- College savings plans (529 plans)
- Debit cards
- IRAs and 401(k)s
- Home equity credit lines
- Bar codes and scanners
- Online banks and brokerages
- The Vanguard Group (not just the biggest mutual fund family but the one with the lowest costs)
- Electronic bill pay
- Tax preparation software
- Exchange-traded funds (ETFs)
- Index funds
- Target-date funds
- Venture capital and private equity funds

“Markets are what make the economy – and ultimately everything else – run.”

- Inflation-adjusted Treasuries
- Health savings accounts
- Super-catastrophe insurance (My 13-year-old thinks “super-cat insurance” is a policy on the family pet. Don't tell him otherwise.)
- High-frequency trading
- Dark pools
- Uber, Craigslist, eBay, Amazon, Priceline, Expedia, Airbnb and PayPal (Yes, these are all financial innovators too.)
- Crowdfunding
- Bitcoin.

Not all financial innovation is good, of course. (Any cheers for negative amortization mortgages?) Nor have all advances been used effectively.

And many financial innovations are not well-appreciated. Much-derided high-frequency traders, for instance, actually improve market liquidity and reduce bid-ask spreads.

Consider how all this has affected you as an investor. Your investment choices today have never been greater. Spreads have never been thinner. Fees have never been lower. Trade executions have

never been faster. Monitoring your portfolio has never been easier.

There's a reason Wall Street executives brag about hiring “the smartest people in the world.”

Finance is one of the most competitive industries on the planet. We don't often see it – or realize it – but these creative minds are grappling with huge and complex problems.

The end result is that ideas get funded, projects get started, infrastructure gets built and deals get done as money flows to where it earns the highest and best returns.

Want to know who benefits from all this activity? Take a look in the mirror. ■

The Principle Thing

Alexander Green, Chief Investment Strategist, The Oxford Club

Note: Alex's beloved *Beyond Wealth* column has a new home here in the *Communiqué*. Each month, you can look forward to Alex's insights on timeless issues outside the financial realm... on what ultimately provides meaning, contentment and the satisfaction of a life well-lived. We believe these essays are the perfect complement to your subscription – and we hope you'll soon feel the same. As always, let us know your thoughts at mailbag@oxfordclub.com.

When I speak at investment conferences and seminars, the attendees usually want to know what lies just ahead for the economy and the stock market. I hate to disappoint them. But I tell them anyway: "I don't know – and neither does anyone else."

Fortunately, this isn't important. Investment success is not about following the right *predictions*. It's about following the right *principles*.

This is true in virtually every aspect of life. Imagine a tunnel, bridge or skyscraper erected without using proven designs, building materials or construction methods. The result would be calamitous.

A composer is free to create beautiful music, but only within the boundaries of harmony, melody and rhythm. (Few can bear to listen to a so-called "atonal masterpiece.")

If you are a golfer, you have to use the proper stance and grip. You have to keep your head still, your left arm straight and your right elbow tucked in. You won't become a champion by reinventing the golf swing. Players were whacking balls around St. Andrews before Columbus discovered America.

In sum, principles are the collective wisdom of our species. They tell us what is valuable. They warn us what is not.

Principles of law safeguard society and protect our rights. Health principles guide us on nutrition, exercise and the prevention of disease. Scientific principles further technology and explain the natural world. Spiritual principles guide our lives. Or should.

There will always be arguments about doctrine, of course. But there is little disagreement on core principles: honesty, compassion, forgiveness, tolerance, perseverance, justice, humility, charity and gratitude.

These principles aren't binding. They're liberating. They imbue life with meaning. And make no mistake, human beings are meaning-seeking creatures. Without a reason to live, people easily fall into depression or despair. In some sense, we are all spiritual seekers.

You may revere the Ten Commandments, the Sermon on the Mount, the Four Noble Truths, the Five Pillars or some other timeless set of ethical principles.

"Anything else you worship," argued novelist David Foster Wallace at a commencement address at Kenyon College in 2005, "will eat you alive. If you worship money and things – if they are where you tap real meaning in life – then you will never have enough..."

"Worship your own body and beauty and sexual allure, and you will always feel ugly. And when time and age start showing, you will die a million deaths before they finally plant you... Worship power – you will end up feeling weak and afraid, and you will need ever more power over others to numb you to your own fear... Worship your intellect, being seen as smart – you will end up feeling stupid, a fraud, always on the verge of being found out."

On some level, most of us understand this. The message is embodied in our myths, proverbs and aphorisms, our classic films, and our great novels. Yet society and culture – and even our unconscious – continually tug us the other way.

Madison Avenue surrounds you – in the streets, on the airwaves, in the stores – showing you what you could *have*, how you could *look*, how you will *feel* when you finally acquire the latest, greatest and most fabulous bauble yet. (And did I mention it's new and improved?)

The modern economy doesn't just meet our wants. It continually creates new ones. This isn't all bad, of course. I'm not unhappy that business has brought us iPhones, Miracle bras and 65-inch Ultra HD TVs.

It's just that a life based on craving – on the worship of self – is no more satisfying in the end than a bowl of jelly beans.

Fortunately, the great spiritual principles are there, like Polaris, guiding you toward true north, reminding you that it's really *not* all about you, suggesting that the most important thing you can do today may not be to obtain or even achieve something, but to show those around you that you care in a dozen little unsexy ways.

It may not be glamorous. But it's the truth.

Ralph Waldo Emerson understood this. He ends his famous essay "Self-Reliance" with these words: "Nothing can bring you peace but yourself. Nothing can bring you peace but the triumph of principles." ■

The Oxford Club's Financial Discovery Tour

📅 October 4-14, 2017 📍 London and Scotland



The Oxford Club invites you to join us abroad this coming October 4-14, 2017, on our Financial Discovery Tour of London and Scotland alongside Chief Investment Strategist Alexander Green and lifestyle expert Fritz Satran.

On this 10-day journey, you will be treated to five-star accommodations and dining, exclusive VIP tours and events, and two half-day financial seminars at the Grosvenor House in London.

To reserve your spot today, please contact Karoline Bowman by phone at **410.366.5494** or **800.638.7640, ext. 113**, or by email at karoline@aesu.com. Special pricing is available for those who want to attend only the financial seminars in London.

The Oxford Portfolio **REVIEW**

by Alexander Green

As the stock market goes higher and higher – along with valuations – it becomes increasingly important to ask, what is safe to buy at these levels?

One good answer is **Laboratory Corp.** (NYSE: LH).

LabCorp is the world's leading healthcare diagnostics company. It operates a sophisticated lab network, offering tests on more than a half-million specimens a day for 220,000 physicians, hospitals, drug companies and other customers.

The firm has more than 50,000 employees in over 60 countries and offers several hundred tests to establish or support a diagnosis or monitor treatment.

Its specialties include allergies, infections, oncology, cardiovascular disease and pain management, as well as genetics, forensics and occupational testing.

There are several advantages to being the biggest player worldwide. Healthcare providers and drug developers are particularly drawn to...

- The number and type of tests performed
- The accuracy and timeliness of results
- The reputation of the laboratory
- The service and convenience offered
- The ease of connectivity
- The pricing of services.

LabCorp excels in all these areas. And it will only increase its market share in the future thanks to the greater cost efficiency of its large-scale testing.

LabCorp is also expanding beyond the traditional healthcare setting. Its Bode Cellmark Forensics business, for instance, is now the leader in high-quality forensic DNA testing solutions, helping law enforcement find and convict criminals.

The numbers at LabCorp are already excellent. Fourth quarter results exceeded Wall Street estimates. Earnings per share soared 63% on sales of \$2.4 billion.

It was the latest in a long string of positive announcements. Last year, the company reported record revenue of \$9.4 billion, paid \$549 million for acquisitions, repaid \$658.4 million in debt and repurchased \$50 million worth of stock.

LabCorp is doing an excellent job of cutting costs, too. It completed the consolidation of its central lab facilities in Singapore and China last year and is on track to complete consolidation of U.S. and European facilities by midyear.

It also expects \$100 million in cost savings as a result of its recent acquisition of Covance, a world leader in drug development services.

This is a stock you can own with confidence, even if you're skeptical about the economy or leery about the market.

Still Smokin'

A lot of investors don't like tobacco stocks – and I don't blame them.

Smoking isn't just addictive. It's the single greatest cause of preventable death worldwide.

To some, this makes **Philip Morris** (NYSE: PM), the leading international tobacco company, Public Enemy No. 1.

After all, it owns six of the world's top international brands, including Marlboro, the No. 1 cigarette brand in the world.

Yet there is another way of looking at the company, the libertarian view...

Tobacco is a legal product, sold to adults. It would be tough for anyone to argue today that customers are unaware of the potential health consequences.

Every cigarette package comes with a clear warning. On its website and in its advertising, Philip Morris plainly states the addictive nature and many serious health risks of tobacco.

The tobacco industry is strictly regulated. Philip Morris employs over 80,000 people, gives tens of

millions to charity each year and pays billions in taxes. (That's in addition to the billions in sin taxes its customers pay.)

Of course, you are free to *not* own shares of Philip Morris. But it has been awfully profitable for those who do.

Philip Morris netted \$7 billion over the last 12 months on sales of \$26.7 billion. Including dividends, the shares in our Oxford Trading Portfolio are up 254%.

Tobacco is largely recession-proof. Sales are booming, especially in the world's emerging markets. And the firm has plenty of cash and ample cash flow. It is currently sitting on more than \$4.2 billion.

Philip Morris is also committed to something dramatic: replacing cigarettes with smoke-free products.

It has over 400 scientists, engineers and technicians developing less harmful alternatives to cigarettes at its two research and development sites in Switzerland and Singapore.

Here's why...

Tobacco smoke contains nicotine, as well as many harmful chemicals. It is the chemicals – not the nicotine – in cigarette smoke that are responsible for smoking-related diseases.

The company's cigarette alternatives deliver the nicotine that smokers crave, but without the smoke. Over a million people have already given up smoking and switched to these new products.

E-cigarettes and other vaping products are selling so well, in fact, that vape shops are popping up on almost every corner. (Vaping is essentially smoking minus the tobacco, the noxious smell, virtually all the health risks and even the smoke.)

And isn't it good to know that Philip Morris is leading the charge?

Of course, a smoke-free future is still a long ways off. Philip Morris sells over 850 billion cigarettes a year.

In the meantime, the stock offers better-than-

average appreciation potential... and a current yield of 3.8%.

Stay Bullish on This Hot Ticket

I also like the prospects for **Match Group** (Nasdaq: MTCH).

Match is the world's leading provider of online dating services, with a portfolio of over 45 brands in 38 languages across more than 190 countries.

In the most recent quarter, it smashed estimates when it reported quarterly earnings that soared 107% on a 20% increase in sales.

Match owns the largest subscription dating site in the world, Match.com, as well as other popular matchmaking services including Tinder, OkCupid, OurTime.com, PeopleMedia, PlentyOfFish, Chemistry.com, HowAboutWe and several others.

Over the last 12 months, sales topped \$1.2 billion.

And there are good reasons to remain optimistic about the future. In the most recent quarter, Match hit a record number of net subscribers. Its paid member count rose 23% to 5.7 million. (And international growth is even stronger than domestic growth.)

Tinder is growing fastest, with more than 1.7 million paying members – more than double the number it had at the end of 2015. Indeed, subscriptions at most of the company's other paid dating sites actually slipped a bit.

Yet in a press release after the company reported that profits doubled, Chairman and CEO Greg Blatt said, "As we roll into 2017, we're confident we can maintain that momentum."

The company is rolling out several additions this quarter, including a new application and a way to sign up for Tinder without linking to Facebook.

Match also agreed to sell its struggling Princeton Review, a provider of test preparation, academic tutoring and college counseling services. Shedding noncore assets like this will further strengthen the company.

(Match is doing what high school students have

been doing for years: putting aside the SAT prep to focus on dating.)

There is competition in this space to be sure. Some analysts worry about the proliferation of free dating apps, still the greatest long-term threat to the company's business model.

However, many users are willing to pay for premium subscriptions that offer additional services and the largest pool of potential candidates. There is a clear advantage to being the biggest in the industry.

Demographics favor this business. According to the Bureau of Labor Statistics, 124.6 million Americans age 16 and up are single. That's 50.2% of the adult population.

Couples break up. Marriages end. Hundreds of thousands reach dating age each year. And millions are happily single. This creates a steady demand for romantic connections. So stay bullish on the company.

Have Another Round of This One

And make sure you own a piece of **Diageo** (NYSE: DEO).

Based in London, Diageo is the world's leading spirits company. It operates in more than 180 countries and offers a wide variety of famous international brands, including Smirnoff and Ketel One vodkas, Johnnie Walker and J&B scotch, Crown Royal whiskey, Guinness stout, Baileys Original Irish Cream, Captain Morgan rum, Don Julio tequila, and Tanqueray gin, to name just a few.

Every year, Diageo produces billions of liters of its brands, from more than 200 sites in 30 countries. It handles the distilling, brewing, bottling, packaging and distribution of all its brands.

Diageo owns the top two largest spirits brands in the world and 20 of the world's top 100 spirits brands. In the U.S., it holds a 19% market share, twice that of its nearest rival.

Diageo also has more than \$15.3 billion in worldwide revenue and is sitting on over \$1.7 billion in cash.

Demographics favor its business. The number of consumers reaching legal drinking age has been on a steady upswing since 1999. And while the over-21 crowd is expanding, so is business with baby boomers. Studies show the over-55 group is increasingly reaching for spirits, not beer.

But the real bonanza lies overseas, particularly in emerging markets. The population has been increasing much faster there than in the developed world. Fifty years ago, approximately two-thirds of the world's population was based in less developed countries. Today, more than 85% of it is.

Diageo is still expanding, too. It will invest \$26.8 million in a new distillery in Dublin to support a new brand of Irish whiskey called Roe & Co. It's a blend of malt whiskeys and smooth grain whiskeys from different areas of Ireland, aged in bourbon casks.

Diageo exited the Irish whiskey business a couple years ago when it sold its brand Bushmills to Jose Cuervo in exchange for Don Julio tequila.

But Diageo has had second thoughts. And it's not hard to understand why.

Irish whiskey is the world's fastest-growing spirit. (Global volume has grown 131% over the past 10 years, compared to 56% for bourbon and 13% for Scotch whisky.) It now accounts for 4% of total spirits sold worldwide, but that will triple to 12% within a decade or so, according to the Irish Whiskey Association (which, admittedly, may not be entirely unbiased on the subject).

Diageo is clearly gunning for Pernod Ricard's Jameson brand, which is responsible for two-thirds of global Irish whiskey sold. Roe & Co made its European debut early this month. (There is no U.S. release date yet.)

And, according to researcher Technavio, the alcoholic beverage market in the U.S. will top \$250 billion by 2020. That gives Diageo plenty of room for growth.

We're also collecting a 3.3% yield here. And Diageo pays out less than two-thirds of its profits in the form of dividends, so there is room for further increases. ■

THE OXFORD TRADING PORTFOLIO

An active and diversified portfolio of the market's most compelling opportunities.

| COMPANY/SYMBOL | REC. DATE | REC. PRICE | CURR. PRICE | RATING | TRAILING STOP | TOTAL GAINS |
|---|---------------|----------------|-----------------|-------------|----------------|--------------|
| American Water Works (NYSE: AWK) | Apr-16 | \$68.59 | \$77.30 | Buy | \$62.62 | 14.9% |
| Check Point Software Technologies Ltd. (Nasdaq: CHKP) | May-14 | \$66.96 | \$98.96 | Buy | \$75.91 | 47.8% |
| Diageo PLC (NYSE: DEO) | Mar-09 | \$49.80 | \$112.25 | Buy | \$91.34 | 171.4% |
| HealthEquity (Nasdaq: HQY) | Nov-16 | \$36.75 | \$43.86 | Buy | \$36.46 | 19.3% |
| iShares MSCI Emerging Markets Fund (NYSE: EEM) | Nov-15 | \$35.94 | \$38.21 | Buy | \$29.20 | 9.6% |
| Laboratory Corp. of America (NYSE: LH) | Oct-15 | \$118.29 | \$142.43 | Buy | \$107.17 | 20.4% |
| Match Group (Nasdaq: MTCH) | Dec-16 | \$17.49 | \$16.31 | Buy | \$14.11 | -6.7% |
| Owens & Minor Inc. (NYSE: OMI) | Nov-09 | \$28.65 | \$35.77 | Buy | \$30.24 | 47.6% |
| PayPal (Nasdaq: PYPL) | Jun-16 | \$39.06 | \$42.87 | Buy | \$33.11 | 9.8% |
| Philip Morris Int'l (NYSE: PM) | Mar-09 | \$35.63 | \$109.73 | Buy | \$82.66 | 282.0% |
| PVH Corp. (NYSE: PVH) | Feb-16 | \$66.41 | \$90.20 | Hold | \$85.43 | 36.0% |
| Rio Tinto PLC (NYSE: RIO) | Mar-16 | \$26.84 | \$40.68 | Buy | \$34.99 | 57.2% |
| Ryanair (Nasdaq: RYAAY) <i>ADR</i> | Jun-15 | \$69.74 | \$80.75 | Buy | \$65.73 | 18.2% |
| Target (NYSE: TGT) | Mar-14 | \$56.62 | \$58.78* | Sell | \$60.93 | 15.4% |
| TJX Companies (NYSE: TJX) | May-12 | \$41.09 | \$78.60 | Buy | \$61.72 | 100.1% |
| Under Armour (NYSE: UA) | Mar-17 | \$19.41 | \$18.31 | Buy | \$14.90 | -5.7% |
| WisdomTree Japan Small Cap (NYSE: DFJ) | Feb-10 | \$39.90 | \$66.62 | Buy | \$50.47 | 82.8% |

Note: If a "Buy" recommendation pulls back to within 5% of our protective stop, we routinely move it to a "Hold." If the stock resumes its upward climb, we will move it back onto our "Buy" list.

* Price based on official sell date

THE TEN-BAGGERS OF TOMORROW PORTFOLIO

A select group of more speculative stocks with the potential to rise tenfold... or more.

| COMPANY/SYMBOL | REC. DATE | REC. PRICE | CURR. PRICE | RATING | TOTAL GAINS |
|---------------------------------------|---------------|------------|-------------|------------|-------------|
| Accelerate Diagnostics (Nasdaq: AXDX) | Sept-16 | \$22.33 | \$25.00 | Buy | 12.0% |
| Glaukos (NYSE: GKOS) | Dec-16 | \$34.10 | \$44.88 | Buy | 31.6% |
| Intrexon Corp. (NYSE: XON) | Feb-17 | \$24.74 | \$22.73 | Buy | -8.1% |
| Kite Pharma (Nasdaq: KITE) | Oct-16 | \$55.10 | \$73.90 | Buy | 34.1% |
| Momo Inc. (Nasdaq: MOMO) | Apr-17 | New | New | Buy | New |
| Opko Health (Nasdaq: OPK) | Aug-16 | \$9.89 | \$7.61 | Buy | -23.1% |
| Proofpoint (Nasdaq: PFPT) | Oct-16 | \$74.56 | \$78.92 | Buy | 5.8% |

Note: We do not use our 25% trailing stop in this portfolio. Instead, a sell recommendation will be triggered if a company misses the quarterly consensus earnings estimate by 25% or more – or if we believe the company's business prospects have changed for the worse in some fundamental way.

THE OXFORD ALL-STAR PORTFOLIO

A diversified basket of funds and holding companies managed by some of the world's top-performing money managers.

| COMPANY/SYMBOL | REC. DATE | REC. PRICE | CURR. PRICE | RATING | TRAILING STOP | TOTAL GAINS |
|---|-----------|------------|-------------|--------|---------------|-------------|
| Berkshire Hathaway B Shares (NYSE: BRK-B) | Jan-01 | \$44.58 | \$175.40 | Buy | None | 293.4% |
| Equity Residential (NYSE: EQR) | Jul-01 | \$28.05 | \$62.42 | Buy | None | 259.4% |
| Icahn Enterprises L.P. (Nasdaq: IEP)^ | Nov-13 | \$78.23 | \$54.47 | Buy | None | -5.8% |
| Markel Corp. (NYSE: MKL) | Jul-15 | \$789.45 | \$986.03 | Buy | None | 24.9% |
| Templeton Dragon Fund (NYSE: TDF) | May-02 | \$9.20 | \$18.04 | Buy | None | 394.2% |
| Templeton Emerg. Mkts. Fund (NYSE: EMF) | Jan-02 | \$8.80 | \$13.36 | Buy | None | 244.1% |

Note: The All-Star managers make buy and sell decisions within these securities themselves. We do not use trailing stops here.

THE GONE FISHIN' PORTFOLIO

A simple but sophisticated long-term investment system based on a Nobel Prize-winning strategy.

| COMPANY/SYMBOL | REC. DATE | REC. PRICE | CURR. PRICE | RATING | ALLOCATION | TOTAL GAINS |
|--|-----------|------------|-------------|--------|------------|-------------|
| Vanguard Small Cap Index (NAESX) | Apr-03 | \$15.12 | \$64.10 | Buy | 15% | 367.2% |
| Vanguard Total Stock Mkt. Index (VTSMX) | Apr-03 | \$19.59 | \$59.49 | Buy | 15% | 247.3% |
| Vanguard Emerg. Mkts. Index (VEIEX) | Apr-03 | \$7.26 | \$24.64 | Buy | 10% | 328.9% |
| Vanguard Europ. Stock Index (VEURX) | Apr-03 | \$14.89 | \$26.92 | Buy | 10% | 166.5% |
| Vanguard High-Yield Corp. Fund (VWEHX) | Apr-03 | \$6.02 | \$5.91 | Buy | 10% | 90.5% |
| Vanguard Inflation-Protected Securities Fund (VIPSX) | Apr-03 | \$12.09 | \$13.07 | Buy | 10% | 60.2% |
| Vanguard Pacific Stock Index (VPACX) | Apr-03 | \$5.56 | \$11.81 | Buy | 10% | 172.7% |
| Vanguard Short-Term Investment (VFSTX) | Apr-03 | \$10.82 | \$10.65 | Buy | 10% | 43.7% |
| Vanguard Prec. Metals & Mining (VGPMX) | Apr-03 | \$9.98 | \$9.72 | Buy | 5% | 180.1% |
| Vanguard REIT Index (VGSIX) | Apr-03 | \$12.08 | \$27.83 | Buy | 5% | 232.9% |

Note: The Gone Fishin' strategy requires annual rebalancing and does not require the use of trailing stops. These prices do not reflect dividends.

^ Adjusted buy price based on averaging down on March 1, 2016, at \$63.29.

Prices as of 3/6/17 | **Note:** For the absolute latest updates on all of *The Oxford Communique's* portfolios, visit our website at www.oxfordclub.com.



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