

August 2018 Commentary

There was one change in the portfolio this month: The AMC position was exited at \$18.50, and the proceeds were rolled into Newell Brands, with 1,100 shares purchased at \$21.40.

Here's a quick recap of these positions:

6,900 SNR @ \$6.34	\$43,746
2,000 TEVA @ \$22.91	\$45,820
1,500 GOV @ \$16.91	\$25,365
1,100 NWL @ \$21.72	\$23,892
CASH	<u>\$ 1,137</u>
	\$139,960

- SNR (New Senior Investment Group) is one of the largest publicly traded owners of senior housing properties. It has been beset by multiple problems, but I think this is a turn-around story and continue to believe in the industry.
- TEVA (Teva Pharmaceutical) is the largest generic drug maker in the world and another turnaround story. I am monitoring this position carefully because although I like this company in the long run, my fear is that it could be dead money for an extended period of time
- GOV (Government Properties Income Trust) is an out-of-favour REIT that specializes in owning and renting properties to government and its agencies in the United States. My approximate price target is \$21.50, at which point it will yield 8.0% and at that point, it will be time to take some profits
- NWL (Newell Brands) owns a suite of recognizable brands and is in the process of selling off divisions and rationalizing its operations. I believe that the market will perceive the true cash-generating potential of this business, and when it hits \$32... which I expect it to before the end of 2019... I will exit the position

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