Dear Member,

Despite the many ups and downs in the market this year, our Oxford Trading Portfolio is doing well. All 21 of our current recommendations are profitable, with gains of as much as 170%.

In addition, we recently locked in double-digit gains in Liquidity Services (Nasdaq: LQDT) and Check Point Software Technologies (Nasdaq: CHKP).

However, we have two other portfolios in The Communiqué that also perform well, but don’t get as much attention as they should.

This month we take a closer look at one of them: The Oxford All-Star Portfolio. Here we have six positions with an average gain of more than 145%.

Yet the time has come to take profits in one of these recommendations and put the proceeds to work in a different investment with another all-star manager, one who’s likely to deliver far superior returns in the months ahead.

This is an exciting story, one you’ll want to participate in. Read on to discover not just “the next Warren Buffett,” but why he’s already beating the pants off the legendary investor. His investment vehicle is the newest addition to our Oxford Investment Portfolios.

The All-Star Portfolio’s Changing of the Guard

New members often ask what our Oxford All-Star Portfolio is all about. In essence, it’s a group of diversified investments run by the world’s undisputed money managers. I’m talking about individuals like Warren Buffett, Mark Mobius, David Dreman and Sam Zell.
None of these gentlemen need a public relations agent. Their audited track records speak for themselves.

There may be other managers who have done better in the short run or in a particular type of market. But these guys have delivered the results again and again, over the long haul, and through all market cycles.

As a result, we don’t use our customary trailing stop with these investments. We rely on these men to do the buying and selling for us inside each investment vehicle they manage.

However, circumstances sometimes change. A particular money manager will occasionally move on. Or we’ll lose confidence in him (as we did with Legg Mason Value Trust Manager Bill Miller years ago). Or market conditions will change.

In the case of the Managers PIMCO Bond Fund (MBDFX), it’s market conditions, not the manager.

The man who runs the fund, Bill Gross, is the closest thing to a rock star in the buttoned-down world of fixed-income investments. He’s been called everything from “The Bond King” to “The Babe Ruth of Bonds.”

Much of his fame is due to the outstanding results he’s delivered managing the world’s largest actively managed mutual fund, the PIMCO Total Return Fund (PTTAX).

More than 30 years ago, Gross pioneered a whole new approach to bond investing. He recognized that opportunities exist to trade in and out of various sectors of the bond market – as well as individual issues – and quickly moved to capitalize on this reality.

However, his Managers fund must hold a combination of government and corporate bonds. Yields on investment-grade bonds are at all-time lows.

There’s very little upside potential here and
he bought 39 offshore drilling rigs for about $372 million, half of what a single new rig costs today. And a $9-million investment in telecom giant Global Crossing turned into a $1.9-billion profit in 1999. Tisch held the stock for just three years.

Both men are impressive money managers. Both follow a disciplined value approach to investing. But there are significant differences.

For one thing, Warren Buffett is 82 years old. We like Buffett. We still believe in him. But if you’re looking for long-term growth, Buffett isn’t likely to be around to deliver it. Tisch, on the other hand, is 59.

Also, unlike Buffett, Tisch’s favorite holding period isn’t “forever.” He isn’t shy about divesting assets. In 2008, for instance, he sold watchmaker Bulova for $263 million. The same year he spun off tobacco giant Lorillard.

Another thing that separates the two is that, for 15 years now, Tisch has outperformed Buffett.

From 1998 through the end of June, Loews has more than doubled the return of Berkshire Hathaway’s Class A stock.

Yet Loews currently trades at more than a 25% discount to the value of the company’s subsidiaries. This is absurd. As billionaire and investment legend Michael Price puts it, “The market underestimates Jim Tisch’s skill as an allocator of capital.”

Perhaps that’s because Tisch does it so conservatively. It’s been more than five years since he made a major buyout. He gets a lot of grief for sitting on a large pot of cash. Nearly $7 billion, to be exact.

However, he’s put more than $1.5 billion of that to work over the last four years, buying back shares of Loews in the open market.

As a shareholder, you can count on Jim Tisch to do the right thing. He doesn’t just run the company (along with his brother Andrew, 62, and their cousin Jonathan, 58).

The three of them (along with Jonathan’s mother Joan) own 21.2% of the company. That’s about $3.3 billion worth. In short, these guys eat their own cooking.

Loews is a superb long-term growth investment, one that has a place in every member’s portfolio.

**Action to Take:** Sell Managers PIMCO Bond Fund (MBDFX) and buy Loews Corporation (NYSE: L) at the market. We do not use a trailing stop with investments in our Oxford All-Star Portfolio. ☞
I’m going to borrow a page from the folks at the long-running Jeopardy! game show, and first give you some answers, under the category “Years With Grim Headlines.”

During this year, each of these grim news events occurred:

- Oil was in such short supply, you were only allowed to fill up your gas tank on certain days of the week.
- A world power launched a surprise attack against another nation.
- A sitting U.S. president grappled with major tensions overseas, low popularity ratings and double-digit inflation.
- A major accident called into question U.S. technology and government policy.

And the question: What is 1979?

Quarterly GDP was barely 2.5%. Gasoline prices were nearly $1 a gallon (considered a nearly catastrophic economic development at the time), and Jimmy Carter’s approval ratings were in the toilet. Late in the year came the start of the Iran Hostage Crisis, and the Soviet Union’s invasion of Afghanistan.

Buy on the Cannons

And yet, if you ignored the pessimism of the time and bought stocks, you made nearly 18%. If you held on for the next 10 years, $10,000 turned into $32,740!

Of course, no one could fault you for investing in the safety of Treasury notes, yielding 9% at the time.

The likelihood of losing money in Treasuries is extremely low. But today, so are the odds of coming out ahead.

Let me explain.

A 10-year Treasury note pays about 1.61% right now, and the Commerce Department, in its infinite wisdom, pegs the annual inflation rate at 2.5%. (I don’t know about you, but pretty much everything I buy seems to go up a lot more than that.) But let’s use that 2.5% number because that’s the official number.

If inflation stays at a low 2.5% rate for 10 years, what costs $1,000 today will cost $1,280 in 10 years. However, the $1,000 you invested in a 10-year Treasury will only be worth $1,161. So after 10 years, your money will have lost over 9% of its buying power. That’s no way to set up for or live in retirement.

Stocks, however, go up an average of 7.48% per year. It may be filled with alternating plunges into the abyss and rocket rallies, but that’s the very long-term average. So after 10 years, your $1,000 more than doubles to $2,057 – keeping way ahead of inflation.

The big question, of course, is: Can stocks continue to earn an average of 7.48% per year, the way they have for the past 50 years?

I think so.

I know, I know… this time it’s different, you say.

The Travail of Ages

But the world has always had problems. Would you have bought stocks after America was attacked on its own soil for the first time in over 100 years? When the draft was lowered from age 21 to 18, a major world power invaded country after country, the United States still smarted from
a catastrophic economic collapse and gasoline was being rationed?

Probably not. But if you bought stocks in 1942, as all of this was happening, you would have made over 17% that year. A $10,000 investment bought and held then would have nearly tripled to $27,900 10 years later.

In fact, since 1937, only seven out of 74 10-year periods produced negative returns for the stock market – a 91% win rate. Those losing decades were the 10-year periods ending 1937, 1938, 1939, 1940, 1946, 2008 and 2009. All seven were tied to either the Great Depression or Great Recession.

So in other words, the only time stocks lost money over any 10-year period was when the United States suffered a catastrophic economic collapse.

Dividends Are the Key

Many pundits forget to mention it, but I will because it’s so important: Dividends are a major contributor to stock market performance. If you strip out all the dividends earned by the S&P 500 companies in the 10 years ending 2010, stocks fell 4.7%. Add in those dividends, and investors made 12.3% on their money.

Perhaps 12.3% over a decade isn’t considered great. On the other hand, that period includes not one, but two awful bear markets – the one led by the dot-com collapse, along with the more recent banking-inspired meltdown. Taken together, making 12.3% in that time is actually pretty incredible.

Stocks that pay dividends outperform the broad market significantly. For instance, if you look up something called the Dividend Aristocrat Index, you’ll see that it’s composed of companies with uninterrupted 25-year histories of raising their dividends. If you strip out all the dividends paid by these companies, their share prices alone gained 43.9% in the 10 years ending in 2010 – blowing away the return of the S&P 500, even with dividends.

If you add in the dividends actually paid out by the Dividend Aristocrats, the shares (again, despite two huge bear markets) returned 87.5%.

History teaches us that if we’re patient, we’ll almost always make money “over the long term” in stocks. The hard part is not losing focus, and staying with the strategy. If you adopt certain simple and conservative strategies – investing in companies that pay and raise their dividends being one of the keys – it’s very difficult to lose money, even in the weakest of markets.

I use this philosophy in The Ultimate Income Letter’s Perpetual Income Portfolio. To learn more about this strategy and how to generate 12% returns while lowering your risk, be sure to check out my new book, Get Rich with Dividends.

It’s easy to be swayed by the reactionary cries of the media, other investors and the general public. There’s always something to worry about in a 24-hour news cycle.

But if you’re a smart investor, you’ll remember that stocks make money over the long term regardless of war, inflation, recession, unpopular politicians and the grimmest of headlines. ☝️
My father is 90 years old and counting. He’s been through a lot in his life, including proudly serving his country as a U.S. Marine in WWII. Last year, he had open-heart surgery and now has a new lease on life. He still drives, lives about 10 miles away from me, and rarely stops moving.

He retired a few years earlier than most, at the age of 60. About six years ago, he asked me to review his investment portfolio.

At the time, a financial advisor was managing it. Dad’s comment to me was, “I think he’s doing a good job, but I’d just like you to make sure.”

I told him I could do a better job with my eyes closed.

So he called my bluff.

He fired his advisor and opened an online account that we both had access to.

At that point, he was already in his 80s. I asked him about his investment objectives.

He had a simple answer: “I want to maximize my income and minimize my risk.”

About two and a half years ago, I suggested he might want to add a few shares of an energy master limited partnership to his portfolio.

His first question was what most people ask when told about an MLP for the first time: “What’s that? And how safe is it?”
You can think of these pipeline MLPs as the toll road operators of the energy business. They’re the backbone of America’s energy infrastructure.

The fees they charge are based on the volume of product they handle. This makes future revenue and cash flows very predictable, while still affording exposure to both energy production and demand.

**Small MLP, Big Yield**

One of the smaller, lesser-known midstream MLPs is **Genesis Energy, L.P.** (NYSE: GEL). With a market cap of just $2.38 billion, this Houston-based operation has a diverse portfolio of operations, customers and energy assets across the South and the Gulf of Mexico.

These include pipelines, storage terminals, refinery-related plants, barges and trucking operations. Its customers include pulp and paper mills, other manufacturing industries and mining operations.

Since hitting a high of $33.81 this past March, shares are off roughly 14%, in line with the drop in oil prices. In early July, the company’s yield was about 6%, and it’s raised the dividend by 10% annually.

In fact, Genesis has 27 quarters of distribution increases to limited partners, 22 of which were greater than 10%. Genesis represents a great way to enter the MLP space, given its healthy dividend growth and smaller size compared to other oil and natural gas MLPs.

**Now You’re Cooking…**

The second MLP is one that you might be familiar with. **AmeriGas Partners, L.P.** (NYSE: APU) is the largest retail distributor of propane in the United States. Headquartered in Valley Forge, Pennsylvania, the company serves over two million customers. AmeriGas serves its residential, industrial and agricultural customers from over 650 locations in all 50 states.

Propane prices are directly dependent on the price of crude oil. Every barrel of crude oil contains about 3% propane. The gas is popular for home barbecues, residential central heating and portable stoves. It’s readily compressible, making it easily transportable in railcars and delivery trucks.

AmeriGas has a market cap of $3.83 billion and currently trades at a P/E ratio of 22.5. Since the beginning of the year, shares have retreated approximately 10%. The relatively low P/E, combined with the company’s healthy 7.76% dividend yield, make it a winner in my book.

Equity markets continue to flounder along. Investors continue to look for anything that can give them reasonably high returns without incurring undue risk. MLPs are a great way to minimize the risk while generating respectable returns.

My dad’s MLP has worked out great for him, and he still holds his shares. You should consult your investment advisor to see whether MLPs are right for your particular situation. ☺

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**Please Note:** The stocks listed in *Hot Stacked* will not be added to The Oxford Trading Portfolio. Nor will they be tracked. They are intended as potential investment ideas only.
Buy “Homegrown” Multinationals
If You Want Emerging Market Growth

by Carl T. Delfeld, Global Equities Analyst, The Oxford Club

At first glance, the logic seems utterly compelling...

What better way could there be of capturing emerging market growth than by purchasing the stock of blue-chip multinationals?

An investor need only buy the shares of, say, Johnson & Johnson (NYSE: JNJ), and he or she gets a substantial and growing revenue stream from its fast-growth international markets plus the rock-solid balance sheet, premium products, top-flight management and a dependable dividend, to boot.

Pretzel Logic

But when you check performance, however, things just don’t add up.

For instance, a study by Smithers & Co. found that on average, S&P 500 companies received close to 45% of their revenue from international markets, but this revenue accounted for only 10% of net profits. The only explanation is that overseas business is less profitable due to higher costs or lower margins due to keen competition.

One example? Coca-Cola (NYSE: KO), which is spending $3 billion on its operations in India. Bernstein Research finds the beverage company’s profit margins are on the decline due to local competition and high distribution costs.

Look at Procter & Gamble (NYSE: PG). It has an impressive track record of penetrating emerging markets, which now account for 35% of its total revenue. Yet this premier blue chip had to lower its 2012 outlook. The company said it moved too aggressively into new markets, which led to higher expenses and lower margins.

The result is share performance that’s just marking time. Excluding dividends, the shares of all three companies posted an annual average gain of 3% to 4% over the past 10 years.

This lackluster performance reflects the downside of investing in these behemoths. Procter & Gamble has annual sales of $80 billion, yet must sort through a matrix of 1,000 product-and-country combinations (the hair care products popular in Brazil are not the same ones popular in the United States or Europe). The result is an overly complex and slow-moving bureaucracy. Growth may be steady, but it’s also slow. The winning product combinations are nearly canceled out by the losers.

Capture “Home Court” Advantage

The key point to remember is that the competition from local consumer goods companies in every emerging market country is fierce. These home country competitors offer investors numerous advantages over foreign multinationals...”
These home country competitors offer investors numerous advantages over foreign multinationals:

- Depth of knowledge about local markets.
- Much faster growth prospects.
- Full support of the government on regulatory issues.
- Lower costs and prices to undercut foreign rivals and expand market share.

Furthermore, these “local multinationals” are moving beyond home markets into regional and world markets. In short, they are “multinationals on steroids,” offering you a chance to grow with them as they capture rising middle class consumers.

A Consumer Titan ETF and Brasil Foods on Sale

The challenge is that many of these companies don’t trade on U.S. exchanges. So an easy way to gain exposure is with the purchase of the **EGA Emerging Global Shares Trust** (NYSE: ECON) ETF, a basket of the 30 leading emerging market consumer multinationals. The top five companies in its portfolio aren’t small by any means. Each has a market value of at least $30 billion:

- **Ambev** (NYSE: ABV), 10% (Brazil)
- **Naspers Limited**, 7.6% (South Africa)
- **Wal-Mart de Mexico**, 6.8% (Mexico)
- **Fomento Economico Mexicano**, 5.8% (Mexico)
- **Astra International**, 5.7% (Indonesia)

The key reason to own this ETF is stated rather succinctly in the firm’s own prospectus: “Emerging market consumers do most of their business with familiar local or regional brands and tend to have less affinity for developed world brands.”

I want to recommend one of the other companies in the ETF as an individual purchase: **Brasil Foods** (NYSE: BRFS). The company, based in its namesake country, does battle with American multinationals like Kraft and Tyson Foods. A leading meat and dairy producer, Brasil Foods is the world’s largest poultry exporter with exports accounting for 30% of total revenue, and recently made acquisitions in Argentina while expanding sales in China, the United States and Africa.

In 2011, the company successfully pushed through some significant price increases and introduced 300 higher-margin processed food products, about 100 of them aimed at overseas markets.

I recommended Brasil Foods at the start of the year. It’s been hurt by China’s economic slowdown, as well as weakness in Brazil’s own stock market. By the end of June, the shares were down about 20% – which makes it a great time to take advantage of the decline and buy the stock.

The company is in an enviable sweet spot: selling meat and dairy products to a rising middle class in emerging markets all over the world. They not only want to add more protein to their diets, but they have the means to pay for it, too. If you want an example of an emerging market consumer multinational, this is it. ØC
When I speak at financial seminars and conferences around the country, I feel a tension – a palpable fear – that didn’t exist in the past.

Investors aren’t just nervous or uncertain. They’re scared. The economy is sputtering. The Eurozone threatens to come apart at the seams. And the stock market is gyrating wildly.

In response to all this, some stock market pundits are pounding the table, insisting that this is an historic buying opportunity. Others are infected with anxiety. And a few are fear mongering. Who should you believe, the raging bulls or the rampaging bears?

The answer is neither.

“Through a Glass, Darkly”

As historian David McCullough often reminds his audiences, there’s no such thing as the foreseeable future. None of these gurus has a crystal ball.

And that’s okay. Because financial independence isn’t about following the right predictions. It’s about following the right principles. Fortunately, the principles of successful investing are well understood.

For starters, few people get rich by founding a computer company in their garage, recording a platinum record, or playing third base for the Yankees. Most people with a net worth of at least a million dollars do it the old fashioned way. They maximize their income, minimize their outgo, and religiously save and invest the difference.

As my friend Rick Rule likes to say, when your outgo exceeds your income, your upkeep becomes your downfall.

Want Your Money to Work for You? Count the Ways…

Ok, let’s assume you’ve done what many people are either unable or too undisciplined to do: You’ve saved some money. Now what?

Six factors determine your investment portfolio’s future value:

1. The amount of money you save.
2. The length of time you let it compound. (Hands off.)
3. Your asset allocation. (This refers to how you diversify your portfolio among uncorrelated investments like stocks, bonds, cash and precious metals.)
4. Your security selection (i.e. the individual investments you own).
5. The amount you pay in commissions, fees and other expenses.
6. And the amount you fork over in taxes.

Note that there’s nothing here about forecasting the economy, timing the stock market, or figuring out how the European debt crisis will end. You can’t know the answer to those questions, and that’s okay because those factors will have little bearing on what your portfolio is worth years from now.

If you’re investing to become financially independent, think long term and forget about the day-to-day trivia that dominates the headlines (and pays the salaries of so-called experts). Focus instead on following proven investment principles. In other words:

• Save as much as you can.
• Start as soon as you can.
• Leave it alone as long as you can.
• Follow a sensible asset allocation.
• Diversify among high-quality securities.
• Minimize your investment costs.
• And tax-manage your portfolio.

Heed the advice of Thomas Jefferson: “In matters of style, swim with current; in matters of principle, stand like a rock.” ᄇ
As noted on page 1 of this edition of The Communiqué, we’re selling the Managers PIMCO Bond Fund (MBDFX) in The Oxford All-Star Portfolio.

In recent weeks, we also captured profits from two stocks that hit their trailing stops in The Oxford Trading Portfolio: Check Point Software Technologies (Nasdaq: CHKP) and Liquidity Services (Nasdaq: LQDT).

In Check Point’s case, we notched an 11% gain since the shares were added to the portfolio in late 2010.

Liquidity Services was recommended in March, and ultimately netted a gain of nearly 7%.

To borrow a baseball term here – hitting a lot of “singles” is a great way to build a good batting average, while allowing time and business fundamentals to build up gains in our other holdings.

In early July, our remaining total positions were up an average of 47%.

Our position in Diageo (NYSE: DEO) has already doubled, owing to the liquor company’s singular focus on expanding the value of its stellar global brands, such as Johnnie Walker scotch and Smirnoff vodka.

Sales growth in emerging markets is the key. In China, Indonesia, Brazil and elsewhere, drinkers can’t seem to get enough of Diageo’s premium scotch whiskey. Sales are up 50% since 2007.

As a result, the company wants to spend $1.5 billion over the next five years to raise the production capacity of its distilleries, while expanding its warehouse operations.

Nor is the company neglecting mature markets in the United States and Europe.

Diageo acquired a small family-run brand recently, Cabin Fever Maple Flavored Whisky, and is rolling the whisky out as a national brand.

Depending on your point of view, flavored whiskies may sound like a gimmick, yet they’re seeing huge growth among drinkers in the United States (a 40% lift in volume over the past year, according to at least one published source, Consumer Goods Technology).

* * *

DirecTV (Nasdaq: DTV) is another of our portfolio holdings with exposure to fast-growth emerging markets.

Latin America already represents the fastest-growing portion of DirecTV’s pay-television business. Profits from the region rose 47%, to $916 million, in 2011.

And that figure represented 19% of the company’s $4.6 billion in total profits – up from 16% in 2010.

Recently, the company’s involvement in Brazil’s first-ever auction of 4G wireless spectrum drew our interest.

In Latin America, only about a third of the population has access to wired broadband. The cities are huge, sprawling affairs where laying cable is time-consuming, problematic and expensive.

And don’t forget that, compared to the United States, a much larger portion of the population lives in rural areas where broadband via cable is an even tougher business proposition.

A reasonably fast wireless alternative like 4G opens up a huge new market of Brazilians who
want and need broadband but – until now – lacked access.

Keep in mind that the World Cup comes to Brazil in 2014, and the Summer Olympics arrive in 2016. Soccer is huge in the country, and the Olympics are Brazil’s entrance onto the world stage.

So you can expect DirecTV’s 4G spectrum licenses in Rio de Janeiro and Sao Paolo – Brazil’s two largest cities – to drive large numbers of subscriptions, and more profits for a company now moving beyond its role as a distributor of pay-television content.

★★★★★

In early July, our shares of Teradata (NYSE: TDC) were up 33% over the seven months since we added the stock to our Oxford Trading Portfolio. (The S&P 500 is up 8% over the same period.) Yet we still see plenty of upside here.

Teradata helps customers sort, organize, secure, extract and analyze the sea of information every business (and non-profit organization) must swim in.

There’s legal data, accounting data, tax data, product data and regulatory data. It may be in print or spreadsheet form. (Not to mention digital photographs, video and social media, too.)

Some data are stacked in warehouses. Other quantities are stored on electronic devices. The rest resides “in the cloud” in cyberspace.

With more than 8,000 associates in 42 countries, Teradata offers software, hardware, consulting and support services that allow customers to handle Big Data in an efficient and cost-effective way.

According to IDC, the world’s premier market intelligence firm, within eight years the digital universe will be 44 times bigger than it was just two years ago.

All this complex data is both a challenge and an opportunity.

The firms that can effectively manage the data, analyze it thoroughly and extract key insights will have a tremendous advantage over competitors. That’s why so many are outsourcing the job to Teradata.

And the industry is huge.

The core data warehousing market is estimated at $27 billion globally.

The business applications market is roughly $15 billion.

The Big Data analytics market is $2 billion – and rapidly expanding.

New customer wins and strengthening relationships with large vendors should drive sales and profits sharply higher in the months ahead.

★★★★★

If you’ve wanted a way to get even with the dreadful heat in much of the United States this summer, buy shares of Union Pacific (NYSE: UNP).

In early July, our position was up more than 60%.

While the railroad’s loadings of coal for power plants fell early in the year due to the warm winter, the railroad says the truly hot summer is contributing to a rebound in utilities’ demand for the stuff.

Power companies with coal-fired plants are ordering more fuel to keep up with the electrical demand created by residential and commercial air conditioning.

And since coal shipments represent around 20% of Union Pacific’s revenue, that can only help the railroad to keep its profitability on track.

Union Pacific is the best performer of the big three railroads over the last three years.
In addition, the stock recently hit a 10-year high and continues on the right track in spite of the anemic economy.

Of course, much of Union Pacific’s increase in carloads has come from the booming oil shale industry in North and South Dakota.

The company is shipping thousands of tank cars of oil out of the Bakken shale fields.

Oil’s not the only sector that’s doing well for the company.

Union Pacific’s carloads of automobiles increased from an average of 12,000 per week in late 2011 to a current level of around 15,000 per week.

When asked about the remainder of 2012, Union Pacific’s CEO Jack Koraleski was upbeat:

“By the time we get to the end of the year, despite the big downturn in coal, we’ll be in the positive zone for volume and we’re projecting another record year.”

All that should bode well for the company and the U.S. economy.

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Oxford Club NEWS:

- **New Kindle Book:** The perfect way to introduce others to *The Oxford Club*! Recommend our Kindle mini-book, *Investing Success Made Easy: How to Identify — And Profit From — Stocks Positioned to Soar*. Forward it to friends and family so they too can have the benefits of membership. Just $2.99. [Click here to download free Kindle apps](#) for any PC, Mac, or mobile device, direct from Amazon.

- **Marc Lichtenfeld’s New Book:** *Get Rich with Dividends: A Proven System for Double-Digit Returns*, made its Amazon.com debut on July 10. In addition, Marc’s been busy on the talk show circuit with appearances on Yahoo! Finance (watch it here), Fox Business, Bloomberg Radio and TheStreet.com, with more to come. Buy Marc’s book on Amazon by [clicking here](#).

- **New Membership Benefit:** OC Social! The Club’s community website went “live” on June 26. For all of you as members, it means something that’s never been possible before on our website: being able to share ideas, read news on Club-related portfolio recommendations, ask questions, and learn from the wealth of knowledge and experience of other Club members. Haven’t visited yet? [Click to go directly to OC Social](#).

- **Time’s Running Out: Chicago Options and Small Caps Seminar.** *The Oxford Club* and *WSDInsider* join forces with our Inaugural Options and Small Caps Seminar in Chicago, on September 25-26. Join Marc Lichtenfeld, Carl Delfeld, and options experts like WSD’s Karim Rahemtulla and Lee Lowell to learn how to put less cash at risk and increase your potential gains. For more info, visit our website: [http://oxfordclub.com/chicagoseminar.html](http://oxfordclub.com/chicagoseminar.html).

- **Improvements to *The Oxford Property/Members’ Exchange***: Don’t worry, you’ll still be able to view the same great opportunities for luxury rental accommodations and read about other investment opportunities. But starting next month, *The Members’ Exchange* will be its own stand-alone publication, as will *The Oxford Property Exchange*. You will also see links to *The Members’ Exchange* in upcoming editions of *The Communiqué*. 
### The Oxford Trading Portfolio

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

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<th>Symbol</th>
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<td>Covidien</td>
<td>NYSE: COV</td>
<td>Nov-11</td>
<td>$45.16</td>
<td>$53.63</td>
<td>Buy</td>
<td>$41.82</td>
</tr>
<tr>
<td>Diageo plc</td>
<td>NYSE: DEO</td>
<td>Mar-09</td>
<td>$49.80</td>
<td>$102.53</td>
<td>Buy</td>
<td>$78.04</td>
</tr>
<tr>
<td>DirecTV</td>
<td>Nasdaq: DTV</td>
<td>Jun-10</td>
<td>$37.54</td>
<td>$48.99</td>
<td>Buy</td>
<td>$39.81</td>
</tr>
<tr>
<td>Discovery Communications</td>
<td>Nasdaq: DISCA</td>
<td>Jun-09</td>
<td>$21.83</td>
<td>$51.46</td>
<td>Buy</td>
<td>$41.35</td>
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<tr>
<td>Hibbett Sports</td>
<td>Nasdaq: HIBB</td>
<td>Mar-11</td>
<td>$30.57</td>
<td>$61.04</td>
<td>Buy</td>
<td>$45.82</td>
</tr>
<tr>
<td>ITC Holdings Corp.</td>
<td>NYSE: ITC</td>
<td>May-09</td>
<td>$42.27</td>
<td>$69.70</td>
<td>Buy</td>
<td>$58.39</td>
</tr>
<tr>
<td>Liquidity Services</td>
<td>Nasdaq: LQDT</td>
<td>Apr-12</td>
<td>$45.88</td>
<td>Sell</td>
<td>Sell</td>
<td>Stock Hit TS</td>
</tr>
<tr>
<td>McKesson Corp.</td>
<td>NYSE: MCK</td>
<td>Jan-10</td>
<td>$62.82</td>
<td>$93.92</td>
<td>Buy</td>
<td>$71.75</td>
</tr>
<tr>
<td>Owens &amp; Minor, Inc.</td>
<td>NYSE: OMI</td>
<td>Nov-09</td>
<td>$28.65</td>
<td>$30.80</td>
<td>Buy</td>
<td>$25.84</td>
</tr>
<tr>
<td>Philip Morris Int’l</td>
<td>NYSE: PM</td>
<td>Mar-09</td>
<td>$35.63</td>
<td>$90.61</td>
<td>Buy</td>
<td>$67.96</td>
</tr>
<tr>
<td>Plains All American Pipeline</td>
<td>NYSE: PAA</td>
<td>Oct-11</td>
<td>$63.69</td>
<td>$82.84</td>
<td>Buy</td>
<td>$62.32</td>
</tr>
<tr>
<td>Range Resources</td>
<td>NYSE: RRC</td>
<td>Jun-12</td>
<td>$63.12</td>
<td>$61.59</td>
<td>Buy</td>
<td>$48.23</td>
</tr>
<tr>
<td>Seaspan</td>
<td>NYSE: SSW</td>
<td>Mar-12</td>
<td>$15.95</td>
<td>$16.75</td>
<td>Buy</td>
<td>$14.38</td>
</tr>
<tr>
<td>Stericycle, Inc.</td>
<td>Nasdaq: SRCL</td>
<td>Jun-11</td>
<td>$91.56</td>
<td>$92.51</td>
<td>Buy</td>
<td>$69.75</td>
</tr>
<tr>
<td>Teradata</td>
<td>NYSE: TDC</td>
<td>Dec-11</td>
<td>$54.11</td>
<td>$65.41</td>
<td>Buy</td>
<td>$57.86</td>
</tr>
<tr>
<td>TJX Companies</td>
<td>NYSE: TJX</td>
<td>May-12</td>
<td>$41.09</td>
<td>$44.64</td>
<td>Buy</td>
<td>$33.48</td>
</tr>
<tr>
<td>Toyota Motor Corp.</td>
<td>NYSE: TM</td>
<td>Feb-12</td>
<td>$67.85</td>
<td>$79.34</td>
<td>Buy</td>
<td>$65.12</td>
</tr>
<tr>
<td>Union Pacific Corp.</td>
<td>NYSE: UNP</td>
<td>Sep-10</td>
<td>$71.94</td>
<td>$117.99</td>
<td>Buy</td>
<td>$89.48</td>
</tr>
<tr>
<td>WisdomTree Japan SmallCap</td>
<td>NYSE: DFJ</td>
<td>Feb-10</td>
<td>$39.90</td>
<td>$42.55</td>
<td>Buy</td>
<td>$33.69</td>
</tr>
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</table>
### THE OXFORD ALL-STAR PORTFOLIO

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

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>SYMBOL</th>
<th>REC. DATE</th>
<th>REC. PRICE</th>
<th>CURR. PRICE</th>
<th>RATING</th>
<th>TRAILING STOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkshire Hathaway B Shares</td>
<td>NYSE:</td>
<td>Jan-01</td>
<td>$45.38</td>
<td>$83.39</td>
<td>Buy</td>
<td>None</td>
</tr>
<tr>
<td>Dreman Contrarian Small Cap</td>
<td>DRSVX</td>
<td>Jul-09</td>
<td>$12.80</td>
<td>$17.20</td>
<td>Buy</td>
<td>None</td>
</tr>
<tr>
<td>Equity Residential Properties</td>
<td>NYSE:</td>
<td>Jul-01</td>
<td>$28.05</td>
<td>$63.45</td>
<td>Buy</td>
<td>None</td>
</tr>
<tr>
<td>Loews Corporation</td>
<td>NYSE:</td>
<td>Aug-12</td>
<td>New</td>
<td>New</td>
<td>Buy</td>
<td>None</td>
</tr>
<tr>
<td>Managers PIMCO Bond Fd.</td>
<td>MBDFX</td>
<td>Jun-02</td>
<td>$10.22</td>
<td>Sell</td>
<td>Sell</td>
<td>Sell</td>
</tr>
<tr>
<td>Templeton Emerg. Mkts. Fd.</td>
<td>NYSE:</td>
<td>Jan-02</td>
<td>$8.80</td>
<td>$17.48</td>
<td>Buy</td>
<td>None</td>
</tr>
<tr>
<td>Templeton Dragon Fund</td>
<td>NYSE:</td>
<td>May-02</td>
<td>$9.20</td>
<td>$25.82</td>
<td>Buy</td>
<td>None</td>
</tr>
</tbody>
</table>

* 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.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>SYMBOL</th>
<th>REC. DATE</th>
<th>REC. PRICE</th>
<th>CURR. PRICE</th>
<th>RATING</th>
<th>ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Small Cap Index</td>
<td>NAESX</td>
<td>Apr-03</td>
<td>$15.12</td>
<td>$36.64</td>
<td>Buy</td>
<td>15%</td>
</tr>
<tr>
<td>Vanguard Total Stock Mkt. Index</td>
<td>VTSMX</td>
<td>Apr-03</td>
<td>$19.69</td>
<td>$17.20</td>
<td>Buy</td>
<td>15%</td>
</tr>
<tr>
<td>Vanguard Emerg. Mkt. Index</td>
<td>VEIEX</td>
<td>Apr-03</td>
<td>$7.34</td>
<td>$24.98</td>
<td>Buy</td>
<td>10%</td>
</tr>
<tr>
<td>Vanguard Europ. Stock Index</td>
<td>VEURX</td>
<td>Apr-03</td>
<td>$15.01</td>
<td>$22.43</td>
<td>Buy</td>
<td>10%</td>
</tr>
<tr>
<td>Vanguard High-Yield Corp. Fund</td>
<td>VWEHX</td>
<td>Apr-03</td>
<td>$6.01</td>
<td>$9.50</td>
<td>Buy</td>
<td>10%</td>
</tr>
<tr>
<td>Vanguard Inflation-Protected Securities Fund</td>
<td>VIPSX</td>
<td>Apr-03</td>
<td>$12.02</td>
<td>$14.76</td>
<td>Buy</td>
<td>10%</td>
</tr>
<tr>
<td>Vanguard Pacific Stock Index</td>
<td>VPACX</td>
<td>Apr-03</td>
<td>$5.66</td>
<td>$9.45</td>
<td>Buy</td>
<td>10%</td>
</tr>
<tr>
<td>Vanguard Short-Term Corp.</td>
<td>VFSTX</td>
<td>Apr-03</td>
<td>$10.80</td>
<td>$10.77</td>
<td>Buy</td>
<td>10%</td>
</tr>
<tr>
<td>Vanguard Prec. Metals &amp; Mining</td>
<td>VGPMX</td>
<td>Apr-03</td>
<td>$9.98</td>
<td>$15.16</td>
<td>Buy</td>
<td>5%</td>
</tr>
<tr>
<td>Vanguard REIT Index</td>
<td>VGSIX</td>
<td>Apr-03</td>
<td>$11.92</td>
<td>$22.05</td>
<td>Buy</td>
<td>5%</td>
</tr>
</tbody>
</table>

* This strategy requires annual rebalancing and does not require the use of trailing stops. These prices do not reflect dividends. To see total returns, visit the Portfolio page of our website at oxfordclub.com.
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