

July 1, 2017

Hello Friends,

As most of you know, I am a child of the 60's. So perhaps that explains my reluctance to accept status quo, or it may explain my inability to comply with conventional wisdom. For the past several weeks I've been humming a tune in my mind from 1964, a song written by Bob Dylan, *The Times They Are a Changin'*. Here's the first verse:

Come gather 'round people
Wherever you roam
And admit that the waters
Around you have grown
And accept it that soon
You'll be drenched to the bone
If your time to you
Is worth savin'
Then you better start swimmin'
Or you'll sink like a stone
For the times, they are a changin'.

When I heard the news that Amazon would be acquiring Whole Foods, this song immediately came to mind. The acquisition is bad news for Kroger, Target, Safeway and just about every firm that provides groceries to consumers. These firms need to recognize that the waters are rising and soon they'll be drenched to the bone. Many other firms like Sears, Penny's and Macy's are unable to swim and are sinking like a stone.

Amazon has taken a bulldozer to just about every retailer in the United States. No business is safe or immune. Perhaps Lockheed Martin is safe, I doubt that foreign governments would be able to buy an F-35 fighter jet on Amazon Prime. But every retailer in the world should recognize that the times they are a changin'.

Before the Whole Foods announcement, I already had a very large Amazon position. I'll continue to buy more shares each and every time the stock pulls back. I have no intention of selling any of these shares and we'll see where this investment takes us all over the next five or ten years.

The stock price is expensive and volatility is guaranteed, but this company warrants serious investment dollars from all moderate and aggressive investors. Conservative investors should only own a small number of shares balanced by a portfolio of CDs and tax free municipal bonds. But I believe that everyone should own these shares.

There are four other verses to the song and I suggest that you Google search (another fine stock) and download the song onto your Apple iPhone (another fine stock).

As always, please call or email if you have any questions or would like to discuss investment objectives and risk tolerance. Enjoy your summer.

Sincerely,



Jim Aljian