

INVESTMENT FORUM AGENDA FOR WEDNESDAY, JUNE 13, 2018 10:30AM,

TALLWOOD TA-1

The Forum Summer Term begins June 20, at 11:50AM at Lord of Life.

Market Perspective. Despite the news, much of it not good, markets were up strongly for the week. The DOW was up 2.8% (now up 2.4% YTD; the S&P was up 1.6% (now up 3.9% YTD; and the NASDAQ was up 1.2% (now up 10.7% YTD.) The possibility of a trade war and talk of tariffs took center stage.

The Buyback Economy. Steven Pearlstein, widely read columnist and Mason professor, writes “The Buyback Economy and the Next Big Bubble.” in the June 10 Washington Post. He draws together stock buybacks, increasing debt levels across the economy, rising interest rates, financial engineering, and bond ETFs and their liquidity, to create a doomsday scenario. Let’s chat about this article, which I have included as an attachment. (The attachment does not include some charts from the article in the Post.)

Investment Forum Roundtable. We will start the “roundtable” discussion during the regular Forum this week, and adjourn to TA-2 at 12 noon to continue it, with a smaller group. This will be an informal discussion of changes to the Forum that you would like to see. For example:

Are there topics that we do not discuss, or discuss rarely, that you would like to see more discussion? Importantly, who is able to lead such discussions?

Conversely, are there topics frequently discussed, that you would prefer less discussion?

Are there changes to the way we conduct discussions that we can improve? Classroom lighting. Use of microphones. Use of audio visual technology. Websites. Outside speakers.

If you are unable to attend the roundtable, you can e-mail me with suggestions or observations.

Reminder. June 15 Estimated taxes are due.

Future Topics

Real Estate. On July 18, Herb Bachner and Jerry Schrage, will discuss direct ownership of residential real estate (houses or condos rented out,) and land for investment. On July 25, Ed Swoboda will discuss direct ownership of commercial real estate for investment. Discussion topics will include returns, management burden, tax advantages, leverage, ease or difficulty of entry and exit, and property management war stories. While we have previously discussed indirect ownership of real estate through REITs, and companies that own or develop real estate, we have never talked about direct ownership in depth. There is much to be cover, and we may have to continue the discussion to later dates.

Buys and Sells

Buys (week of 5/30//2018) and 6/6/2018

Walt Disney (D)

Starbucks (SBUX)

iQIYI Inc ADR (IQ) - Chinese on-line entertainment. MC: \$23B US.

Salesforce (CRM)

Ark Web x.O ETF (ARKW)

Albany International Inc (All) - MC: \$1.7B

Apple (AAPL)

Ship Finance International (SFL)

IShares Russell Mid-Cap ETF (IWR) - add to

Alerian MLP ETF (AMLP) - add to

Sells (week of 5/30/2018 and 6/5/2018)

American Eagle Outfitters (AEO)

Abercrombie & Fitch (ANF)

Viacom (VIAB)

Enbridge Energy Partners (EEP)

Thinking About . . .

Fidelity Advisory Strategic Income Fund (FSTAX)

Franklin Convertible Securities Fund (FISCX)

Dominion Energy (D)

Nvidia (NVDA)

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