

**INVESTMENT FORUM AGENDA FOR WEDNESDAY, JUNE 20, 2018 11:50AM,**

**LORD OF LIFE LUTHERAN CHURCH, FELLOWSHIP HALL  
5114 Twinbrook Road, Fairfax VA 22032**

The Forum Summer Term runs through July 25. **The Forum will not meet  
Wednesday, July 4, 2018.**

***Market Perspective.*** A down week, with the DOW losing 2.0% (and now down YTD;) the S&P losing 0.9%; and the NASDAQ losing 0.7%. Talk of tariffs and a trade war is driving markets. Tariff threats, and on who and what products? Steel and aluminum? German cars? How will China, Europe, Canada and Mexico retaliate, and who and what will that hurt? In the past few months, we have all learned more about international trade, trade deficits and surpluses, and what we are selling and to whom, than we ever wanted to know. In the meantime some companies and sectors (industrials) are being whacked, along with their shareholders. And the end is not in sight.

***Are there defensive moves to protect our portfolios from a trade war?*** Lighten up on sectors and companies that use steel and aluminum, or do business with China? Or is this so uncertain and complex that we should just ride it out?

***New Communications Sector.*** Companies are placed in one of 11 “sectors,” and each sector is broken down into “industries.” Standard and Poors and MSCI have revised the sectors, adding a Real Estate sector (which used to be in the Financial sector) and a Communications Sector, replacing the Telecommunications Sector. Lets look at the new Communications Sector, and what is in it, using a new ETF, XLC.

**Future Topics**

***Business Development Companies (BDCs).*** On July 11, David Toms will look at this industry, which offers good yields, but considerable volatility.

***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.

**ESG Investing.** ESG. E is “environmental” (or ethical.) S is “social” (or sustainable.) G is “governance” (or green.) Whatever it stands for, ESG investing is getting a lot of press, including a separate section in this week’s Barron’s. A number of funds have come on-line, that only invest in companies that meet certain ESG criteria. And articles on whether ESG investing means accepting lower returns. Larry Fink, CEO of Blackrock, raised eyebrows with his recent strong support for ESG investments. I would like to assemble a panel to discuss ESG investing. If you are willing to serve on a panel, please let me know.

### ***Buys and Sells***

#### Buys (week ending 6/20/2018)

Ship Finance International (SFL)  
Tractor Supply (TSCO) MC: \$9.4B  
Microsoft (MSFT)  
Vanguard Total Stock Market ETF (VTI)  
Dominion Energy (D)  
AT&T (T)  
IBM and T - dripping  
Magna International (MGA) - auto components. MC: \$22B  
SPDR S&P Aerospace and Defense ETF (XAR)  
Centene Corp (CNC) - healthcare plans. MC: \$26B

#### Sells (week of 6/20/2018)

American Eagle (AEO)  
Abercrombie & Fitch (ANF)

***Investment Forum Website.*** The Investment Forum has its own website, [www.olligmu.org/~finforum](http://www.olligmu.org/~finforum). Or from the OLLI website, [www.olligmu.edu](http://www.olligmu.edu), select Main Menu, click on “Clubs, Group Blogs, and Ongoing Activities,” and then “Investment Forum.” The current and previous agendas are posted, as well as articles in the financial press that members recommend.

***Fairfax County Library Website.*** Morningstar newsletters, ValueLine, and other premium services, are available, free, through the Fairfax County library website, using your library card.

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Select A-Z Online Resources

Scroll down alphabetically, to “M” for Morningstar, “V” for ValueLine, etc.

Log in with your library card number.

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