

10 Ways You Can Invest Like Donald Trump

Even if he loses the GOP nomination, Trump is already winning on Wall Street.

Al Drago/CQ Roll Call

By [Lou Carlozo](#) | Contributor March 31, 2016, at 6:00 a.m.

Those who think Donald Trump's billionaire business acumen makes him a presidential candidate nonpareil might want to revisit a few of his colossal failures. Like: Trump Entertainment Resorts, a three-time loser in the casino known as Chapter 11 [bankruptcy](#).

Or: Trump Mortgage, which he predicted in 2006 would become America's top home loan powerhouse. Even Trump's line of luxury steaks, with collections priced as high \$1,000, tanked so badly that one snarky reviewer was inspired to write, "Introducing Trump's new campaign slogan: Very little meat, too much marble."

Still, there's no denying that Trump's tycoon status is inspiring a good number of voters. Whether the wizards of Wall Street will find similar inspiration is another matter – but you can always size up Trump's wealth and see if there's anything worth copying from his playbook. We asked experts and observers to weigh in on how investors can [Trade Like Trump](#), regardless of how they'll vote come November.

Real estate. Trump built his empire not on sirloin sales, but meaty real estate deals. The supersized direct ownership pool Trump uses to buy property here and abroad is out of reach for many, "but public real estate investment trusts can have a particular focus and give an investor exposure to real estate much in the same way as The Donald," says Matt Carbray, a partner at Ridgeline Financial Partners in Avon, Connecticut. One Trumpian caveat, though: "The REIT usually comes with a stock certificate and the potential for dividend income, but not a private jet."

Hedge funds. Trump clearly loves to take risks; these are the kinds of accounts where he can make multiples back or lose big. "They are very risky if the market goes against you," says Jay W. Sukits, a clinical assistant professor of business administration finance at the University of Pittsburgh's Katz Graduate School of Business. Yet to invest like Trump in this way, Sukits says you'd need beaucoup bucks. "Every hedge fund I've seen come along had minimum investment of \$5 to \$10 million. Even an accredited investor with a net worth of \$1 million would never be able to get into one of those hedge funds." Think of hedges as flexible [mutual funds](#) for the ultra wealthy.

Mutual funds. Mutual funds. Mutual funds. Mutual funds. Mutual funds.

A diversified strategy. A Trump-sized portfolio reflects a wide range of investment silos that some experts say reflects a common sense approach to wealth building and preservation. "Believe it or not, everyone should take a page from Trump's investment philosophy and diversify both across different industries and geographically," says Bob Johnson, president and CEO of The American College of Financial Services in the greater Philadelphia area. Aside from real estate, "Trump invests in a wide variety of enterprises including construction, entertainment, publishing, retail, food and beverages, and transportation. He certainly can't be accused of putting all of his eggs in one basket."

Industrials. This is an area Trump loves because industrials tilt strong when economic growth picks up. A stock typical of this category, and this phenomenon, is Caterpillar ([CAT](#)), a construction machinery company that picked up 18 percent in share price since September, concurrent with steady gains in [the housing market](#). Trump also spreads his risk among industrials, says C.J. Brott, a portfolio manager on Covestor and chairman of Capital Ideas in Dallas, Texas. He adds that investors who want to ape Trump should purchase such stocks when they are out of favor and hold them for three to five years. "You can buy a basket of these securities directly or through an ETF such as the iShares US Industrials ([IYJ](#))."

Emerging markets. Here the average investor can follow Trump only in tangential fashion. "While we might go to our broker and say, 'I want to buy some stock in a company in Singapore,' I don't think that's what he does," Sukits says. Trump instead builds resorts, golf courses and hotels in places such as Panama City and Rio de Janeiro, the latter slated to open this year. He adds: "I see him taking advantage of the tourist trade. Emerging markets have not otherwise done well in the past few years because so many are based on commodities and are one- or two-export economies based on coffee, for example."

Foreclosures. Assuming you want to build a Trump-sized empire from scratch in the real estate sector, you have to start somewhere. "In today's market, the future mogul can start with small deals as there are a ton of foreclosures to be had today at massive discounts," says Mike Chadwick of Chadwick Investment Advisors in Unionville, Connecticut. "If you can see through the clouds and buy the right ones, stabilize or repair them and then either rent or sell them off in time you'll begin the empire-building process."

Dividend stocks. The Donald has his hands, teeny as they are, big time in dividend stocks, and with good reason: These stocks pay back investors, whereas companies such as Apple ([AAPL](#)) have had a history of hoarding cash. Apple, however, has changed that course under CEO Tim Cook and so it might be just the kind of company a Trump-like investor would eyeball. "Cook would and has returned close to \$200 billion, some borrowed, to shareholders in dividends and stock buybacks," says K.C. Ma, director of the George Investments Institute at Stetson University in DeLand, Florida.

Tech stocks. There's another reason why Trump would sink his teeth into Apple, or may already hold large chunks of it: He embraces high-tech investments. As Trump has a reputation for taking risks, there's nothing boring (and a lot harrowing) in this world where 9 out of 10 startups fail. Yet Trump isn't a [tech venture capitalist](#) and likely sticks with exchange-listed stocks. "Tech companies are always interesting," says Gary Tsarsis, clinical assistant professor at the Katz

Graduate School of Business. "We see companies that have great growth opportunities, such as Facebook ([FB](#)) and Netflix ([NFLX](#)), that are ultimately generating profits and changing sectors."

Farouk Systems. We should stress that you can't invest in this Houston-based company yet – it's private. But founder CEO Farouk Shami, a hairdresser, might want to consider [an IPO](#) given that many media outlets report that his bulletproof hairspray – appropriately named "Helmet Head" – is The Donald's go-to for his 'do. Extra firm and made for all-day wear, Helmet Head has flamboyance to match the candidate: It comes in a fire engine-red can the size of a tallboy beer bottle. Trump may not like Shami's politics, though: His company motto is "Environment, Education and Ethics."