

This Institution Dates Back to 1842 – and Has a 5.6% Yield

Marc Lichtenfeld • Chief Income Strategist • The Oxford Club

I expect inflation to rise faster than most people expect in 2021.

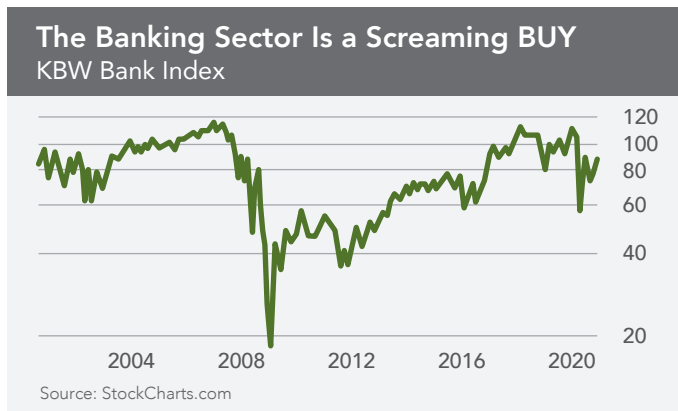
So this month and next month, I'm focusing on stocks and sectors that have been beaten up but should improve greatly with rising prices.

This month's pick has a conservative 5.6% yield that you can bank on.

In fact, it *is* a bank.

The ultra-low interest rate environment has hurt the banking sector over the years...

In fact, the sector – as measured by the KBW Bank Index – is at the same level it was at in 2008 in the midst of the financial crisis.



Should any economic developments break positively for banks, it's hard to imagine the sector won't soar well beyond where it was during the worst financial crisis in nearly a century.

And if we have another recession, it's doubtful bank stocks will fall below where they were 12 years ago when there was concern (for very valid reasons) that the entire financial system would collapse.

The difficult part about selecting a bank stock these days is credit quality. Due to the pandemic, there are many people and businesses that aren't paying back their loans or have asked for modifications.

Additionally, the banking business is complex. I wanted to recommend one that is easy to understand rather than a giant bank with a trading desk, a derivatives strategy and an investment arm.

MEET THE EDITORS



MARC LICHTENFELD
Chief Income Strategist

Marc is a two-time bestselling author and world-renowned financial analyst. He got his start on Wall Street and has three-plus decades of experience. He loves conservative income and fast-paced biotechs.



KRISTIN ORMAN
Research Director

Kristin is a licensed market veteran and former financial services company vice president. She's a straight shooter and a pro at using the Bloomberg terminal.



JODY CHUDLEY
Contributing Analyst

Jody is an accountant who has spent two decades in the international banking and hedge fund industries. His specialty is identifying market trends.

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With those financial companies, you could have a very solid and responsible banking business, but then a 25-year-old trader in Singapore with a fat finger could hit the wrong button on their keyboard and the bank could lose millions of dollars.

I prefer an old-fashioned bank – one that collects deposits and lends them out to borrowers in communities it knows well. It's simple. It's also lucrative, and it will be even more so as interest rates rise.

And there's less chance of getting in trouble with regulators or having the CEO hauled in front of the Senate for a stern talking-to...

I also looked for a bank large enough to withstand tough times but small enough that it could be acquired by a larger institution. And, of course, it had to have a strong dividend yield and payment history.

And I found the perfect one...

People's United Financial (Nasdaq: PBCT), which operates People's United Bank.

People's United Financial was founded in 1842 – 19 years *before* the U.S. Civil War. This company has seen it all and survived it all.

It has 400 retail banking locations in the Northeast, including in Connecticut, New York, Massachusetts, New Hampshire, Vermont and Maine. People's United manages \$60 billion in assets.

Bank on Solid Financials

The bank managed its business through the Civil War, two world wars, dozens of administrations and congresses, and multiple depressions and recessions.

That is all well and good. But as Janet Jackson once sang, "What have you done for me lately?"

Over the past five years, People's United Financial has doubled its profits, growing loans by 54%.

And amazingly, in the third quarter of 2020 – which has been a difficult year to say the least – net income rose from \$135 million to \$145 million and total loans soared from \$38.3 billion to \$44.9 billion.

Importantly, the bank's commercial real estate retail portfolio saw loan deferrals drop all the way from

\$1.5 billion at the end of the second quarter to just \$138 million at the end of September.

This portfolio does not have much exposure to malls, which have been hammered during the pandemic.

On the other hand, vital service providers – such as grocery stores, pharmacies and big-box home improvement stores – make up nearly half of the portfolio.

In normal times, a bank's loan charge-offs and allowances for credit losses are critical metrics. They're even more important these days.

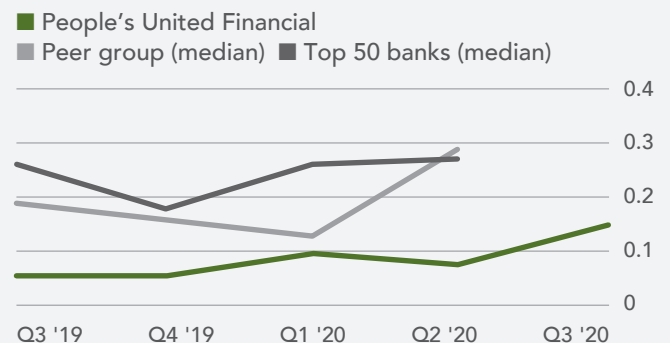
A bank sets aside a certain amount of money as an allowance for loans not being paid back. As a result, when the loan isn't paid back, it doesn't impact earnings unless the company did not set aside enough funds.

Earnings can be affected by the increase or reduction of allowance for credit losses. If the company needs to put away more money as a backup for loan losses, it will hurt earnings. If the bank removes money from allowances, that adds to earnings.

People's United's allowance for credit losses to nonperforming loans is 138%. This means that for every \$1 in loans that aren't current, the company has set aside \$1.38. So it is unlikely that it will have to add more allowance for credit losses in the near future.

Additionally, the bank's net charge-offs to average loans – a ratio comparing the amount of money that is not recoverable from a bad loan to average total loans – is much lower than the average ratio of its peers.

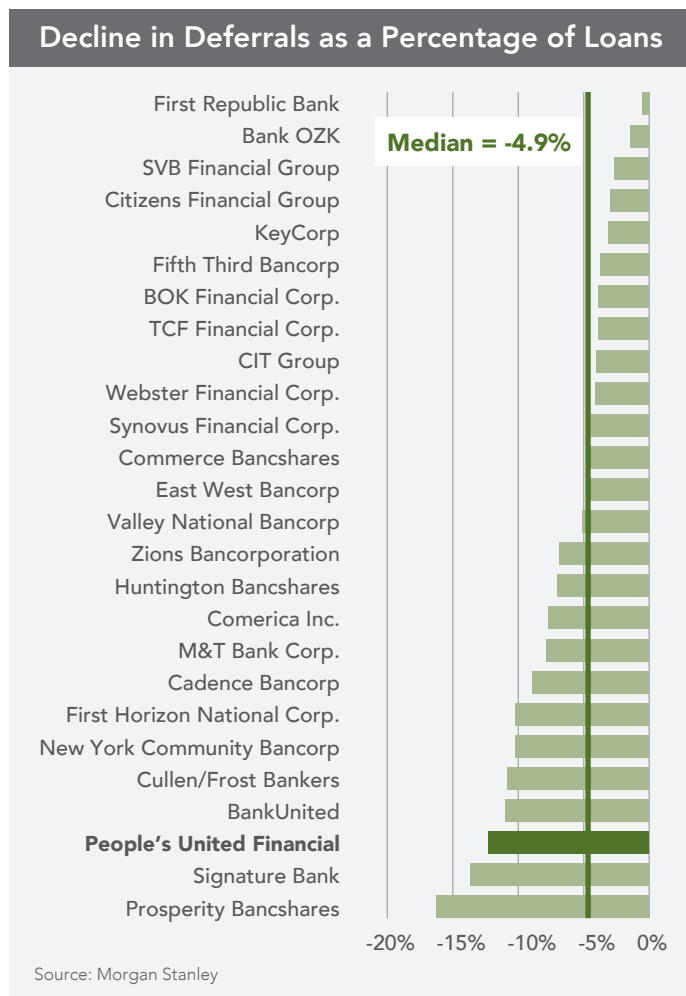
Net Charge-Offs to Average Loans



Source: People's United Financial

People's United had one of the biggest declines among its peers in loan deferrals in the third quarter.

A loan deferral is when the lender agrees to a postponement of payments due to hardship.



In addition to being in a better position than its peers from a credit standpoint, People's United trades at a discount to the industry average. The stock trades for less than 10 times earnings, while the average bank in the sector trades for just under 15 times earnings.

People's United's price-to-book ratio is a dirt-cheap 0.7, compared with 1.07 for the industry average.

That means the stock is trading for just \$0.70 on the dollar for what the company could be liquidated for. That offers 43% upside if the stock simply trades at its book value, which would still be a discount to the industry average.

Plus, this cheap valuation could make it very attractive to an acquirer.

A Dividend Aristocrat

People's United Financial is a Dividend Aristocrat – a member of the S&P 500 that has raised its dividend for at least 25 years in a row. The company has, in fact, boosted the dividend every year since 1994.

What's especially impressive about that track record is the fact that People's United Financial continued to raise its dividend in 2008 and 2009 *during* the mortgage meltdown. Very few banks were able to do that, as many required government bailouts.

People's United did not need government help.

The stock has an impressive 5.6% yield. However, even though the company has raised its dividend every year for nearly three decades, I'm putting it in the Retirement Catch-Up/High Yield Portfolio because its dividend growth is quite low.

So you'll get a high and safe yield, but don't expect it to increase much each year.

Nevertheless, I like this bank for its conservative nature, longevity, impressive dividend-paying track record, yield and expectations of significant capital gains.

Action to Take: Buy *People's United Financial* (Nasdaq: PBCT) at the market, and add it to the Retirement Catch-Up/High Yield Portfolio. The stock should be held in a tax-deferred account if possible. ■

SNAPSHOT

This Year, We Celebrate Quality Over Quantity

Deck Your Portfolio With Perpetual Dividend Raisers

Kristin Orman • Research Director

Longtime subscribers know that Marc and I are big fans of Perpetual Dividend Raisers.

These companies raise their dividends year after year.

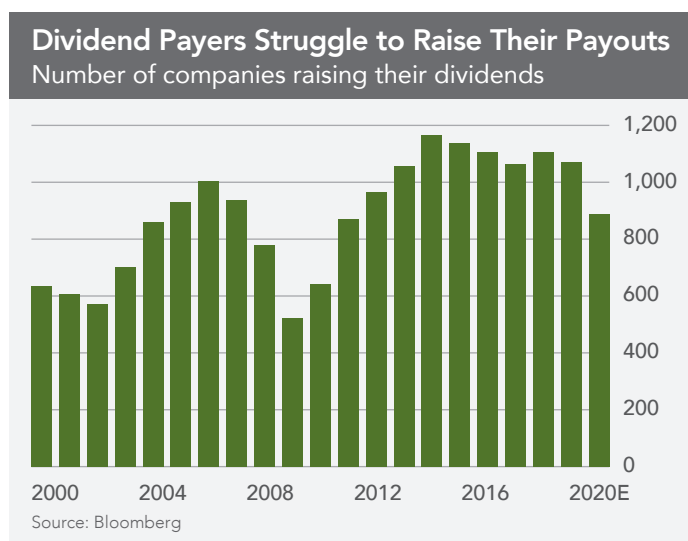
The growing income that these stocks provide counteracts inflation, and reinvesting your returns turbocharges your nest egg's growth.

Of course, it should come as no surprise that investors won't find as many dividend raisers as usual under the tree this year...

The pandemic and economic shutdown threw most companies (and investors) for a loop.

Many companies paused their dividend raises or, worse, cut them to conserve cash and outlast the crisis.

As this month's snapshot shows, we're on track to see the lowest number of companies raising dividends since 2011.



It's been an abrupt about-face.

For the last seven years, more than 1,000 companies with market caps greater than \$250 million have raised their dividends each year.

This year, it's unlikely we'll see the trend continue.

However, that doesn't mean you need to put a pause on growing your dividend income stream. You just need to know where to look.

As I write this, just 883 companies are paying out higher dividends than they were 12 months ago.

That's nearly a 17.5% decrease from the 1,070 companies that boosted their payouts during 2019.

Coming out of the Great Recession in 2010, just 636 companies increased their dividends.

But there are companies bucking the COVID-19 trend. Many of them are *Oxford Income Letter* recommendations.

Several stocks in our portfolios have increased their dividends so far this year...

AbbVie (NYSE: ABBV) announced its more than 10% dividend raise on October 30 when it raised its quarterly dividend from \$1.18 to \$1.30 per share.

NextEra Energy Partners (NYSE: NEP) also announced a dividend hike in October after raising its dividend in February, May and August.

Marc's new recommendation in the Retirement Catch-Up/High Yield Portfolio this month has an impressive track record too...

People's United Financial (Nasdaq: PBCT) is now the 14th company in *The Oxford Income Letter's* portfolios to raise its dividend in 2020. The bank raised its dividend in April, as it has done every year for the last 27 years.

If history repeats itself, People's United Financial will announce another dividend bump in late January, making it 28 straight years.

The company definitely qualifies as a Perpetual Dividend Raiser.

While dividend raises are harder to find this year, hunting for them is worth it – I promise. They're better than any jelly-of-the-month club.

To quote my favorite holiday movie, *National Lampoon's Christmas Vacation*, they're truly "the gift that keeps on giving." ■

INCOME STRATEGIES

The Hard Lesson I Learned in 2006

Why Chasing Yields Ends in Heartbreak

Jody Chudley • Contributing Analyst

One of the most beautiful things about investing is that not everyone has to learn their lessons the hard way.

This month, I'd like to share a hard-earned lesson of mine that relates to dividend investing...

I've always loved dividends. There is nothing I like better than seeing cash deposited in my account without having to work for it.

My long-term goal has always been to create the biggest passive income stream that I can.

In 2006, I was early in that quest. At that time, I was a member of a dividend investing club that researched two stock ideas per month.

Early in the year, the club put two memorable – but very different – ideas in front of me...

Stock No. 1 was Telecom New Zealand, now known as **Spark New Zealand** (OTC: SPKKY).

I immediately fell in love. How could I not?

The stock carried a mouthwatering 7%-plus yield.

At the time, I thought this was a can't-lose opportunity.

I believed that 7% dividend alone was a solid return and that even a small amount of capital appreciation would turn this into an excellent investment.

It wasn't terrible reasoning...

Stock No. 2 is a company you know very well, **Costco Wholesale** (Nasdaq: COST).

I thought it was a ridiculous recommendation.

Costco was then trading for \$44 per share and paid a quarterly dividend of \$0.10 per share.

That equaled a paltry 0.9% yield, which didn't seem like much of an income stream.

Against Spark New Zealand, Costco didn't look terribly appealing – so I followed the 7% yield...

I made a big, big mistake.

The Race to the Top

My investment in Spark New Zealand wasn't a disaster over the long term.

The share price hasn't gone anywhere, and the dividend hasn't increased.

But the company has steadily paid that same 7% before tax.

Meanwhile, Costco, which offered a less than 1% yield in 2006, has been a home run in terms of capital appreciation *and* dividends.

In 2006, Costco's quarterly dividend was just \$0.10 per share. Since then, that dividend has increased. The payment is now up 700% to \$0.70 per share each quarter.

Nice... but that 700% increase doesn't come close to telling the entire story.

Costco has also made special dividend payments to shareholders: a \$7 per share special dividend in 2012, a \$5 per share special dividend in 2015 and a \$7 per share special dividend in 2017.

It also just announced a new \$10 per share special dividend.

I could have received \$29 per share in special dividends alone for a Costco holding that I would have paid \$44 per share for in 2006.

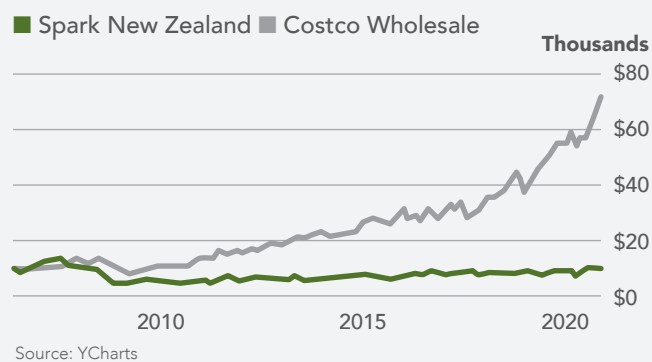
When you add special dividends, Costco's initial 0.9% yield in 2006 has created a bigger dividend stream than Spark New Zealand's steady 7% yield.

Then there is the capital appreciation...

Oh, boy. This part hurts.

While Spark New Zealand shares have gone nowhere, Costco shares have marched steadily higher.

Costco Shames Spark New Zealand
Growth of a \$10,000 investment



A \$10,000 investment in Spark New Zealand in 2006 would now be worth \$9,668. (Thankfully, the steady dividends offset the lack of capital appreciation.)

That's not a terrible result, but it's certainly not good considering that the stock market goes up by 9% to 10% on average each year.

A similar investment in Costco, meanwhile, would now be worth more than \$70,000.

Plus, the growing regular and special dividends have turned what I thought was a paltry yield into a massive income stream.

Never Underestimate Quality and Growth

I was enamored with Spark New Zealand's big yield, so I passed on Costco too easily.

Instead of chasing short-term yields, I should have been thinking about the quality and growth prospects of both companies over the long term.

It was not hard in 2006 to see that Spark New Zealand had very poor growth prospects.

It wasn't a bad business, but it certainly wasn't a great business. At the same time, it was very easy to see that Costco *was* a great business.

The company had a clear path for growth for decades to come as it rolled out its beloved stores across North America.

In 2006, I did not think Costco qualified as an income investment. As a result, I missed out on years and years of dividend growth, special dividends and capital appreciation.

I learned my lesson here the hard way: Never underestimate the importance of growth when building a long-term income-generating portfolio. ■

MARC'S BOND INSIGHTS

All Risk and No Reward

Don't Settle for Negative Interest Rates

Marc Lichtenfeld • Chief Income Strategist

It shouldn't be possible... but *negative* interest rates are becoming increasingly common.

This bizarre phenomenon has been a head-scratcher for many investors.

Why would a lender willingly pay a borrower for the privilege of lending them money?

For the lender, this is a guaranteed loss of money.

And as bond investors, we are lenders...

In a normal bond transaction, we lend our money to a borrower (usually a corporation or government entity) for an agreed period of time.

In return, the borrower pays us contractually obligated interest payments and (eventually) returns our principal.

For example, consider lending money at an annualized 5% interest rate on a \$1,000 one-year bond.

In this case, the borrower must repay the initial \$1,000 loan plus an additional \$50 after one full year.

The lender (you) walks away with \$1,050 – a profit of \$50.

When interest rates are negative, there is still a lender and a borrower.

The difference is that the lender pays the borrower for holding the cash for a contracted period.

Imagine that the interest rate on the \$1,000 one-year bond is negative 1%.

That means after one year, the lender pays the borrower \$10.

After the \$1,000 principal is repaid, the lender walks away with \$990 – \$10 less than they started with.

And that is the lender's best-case scenario!

After all, a lender also takes on the risk that the borrower won't repay the principal.

It is truly nutso-crazytown.

And all the credit goes to the "mad scientists" who are in charge of central banks around the world.

In an effort to stimulate their economies, central bankers in several countries have set their key benchmark interest rates below zero.

In these countries, both loans and deposits are priced off central bank target rates.

This means depositors earn nothing on their savings.

That discourages saving and encourages spending – which central bankers want in order to give the economy a boost.

Meanwhile, borrowers in those countries can take out loans at absurdly low interest rates.

That encourages people to borrow (and, again, spend) as much as possible.

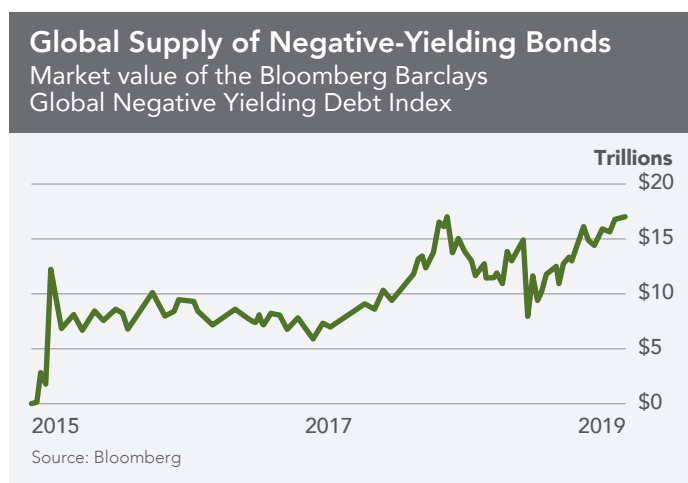
If you are a borrower, you should love what central bankers are doing.

If you are a saver, it is a big problem because your savings earn nothing – and in some countries, less than nothing.

Currently, there is \$17 trillion worth of government bonds that carry negative interest rates around the world.

That is a new all-time record.

An incredible 26% of the world's investment-grade debt now has a negative yield.



Most of these negative-yielding government bonds are currently in Europe and Japan.

Incredibly, more than half of European government bonds now sport negative yields.

And negative yields aren't just for government bonds.

There is now more than \$1 trillion in corporate

bonds with negative yields in Europe and Japan.

I'd rather bury my money in a tin can in the backyard than lend it to a corporation or government at a negative interest rate!

At least that way I would break even instead of being guaranteed to lose money.

But not everyone is with me...

There are no public records that reveal exactly who keeps buying these bonds.

But we do know for sure that a significant amount of these negative-rate bonds are being bought by institutions that are "forced buyers."

These institutions include large pension funds, insurance companies and other central banks.

For liquidity, risk and currency management reasons, they have no choice but to buy these securities despite the negative rates.

Be glad that you have a choice...

These negative-yielding bonds are all risk and no reward.

As bond investors, we are affected in several ways by this negative interest rate phenomenon.

For the bonds that we already own, the impact is positive.

With global rates so absurdly low, more money goes to American corporate bonds.

Investors are desperate for yield, and the United States is one place that can still provide it.

As that happens, the trading prices of the bonds we own are bid up.

That creates gains on our purchase prices.

The economic stimulation that low interest rates cause is also good for our bonds.

A stronger economy enhances the cash flows of the companies whose bonds we own.

That makes it easier for them to make our contractually obligated interest and debt payments.

It isn't all positive for us, though.

Low interest rate policies across the globe make it harder to find new high-yield bond opportunities.

With more money chasing the attractive yields that American bonds still offer, it becomes harder to find attractively discounted bonds.

Harder, but not impossible...

In recent months, we have still been able to lock in solid yields from the bonds of high-quality companies.

It is taking more work to find blue chip bonds worth owning, but they are still out there – especially here in the United States.

Our interest rates are low, but we don't currently have negative interest rates.

At various times, President Trump has publicly demanded that the U.S. Federal Reserve follow the lead of other central banks and adopt a negative interest rate policy.

Heading into the election, the president wanted

negative interest rates to get the economy moving as fast as possible.



Donald J. Trump
@realDonaldTrump

The Federal Reserve should get our interest rates down to ZERO, or less, and we should then start to refinance our debt. INTEREST COST COULD BE BROUGHT WAY DOWN, while at the same time substantially lengthening the term. We have the great currency, power, and balance sheet.....

6:42 AM · Sep 11, 2019 · Twitter for iPhone

Despite the president's pleas, the Federal Reserve has not gone down the negative interest rate path.

I don't expect that we are going to see negative rates in the United States at any point in the foreseeable future.

In fact, I see something very different coming that investors need to prepare for...

Next month, I'm going to tell you more about that. It will be an exciting opportunity for us to exploit... ■

MARC'S MAILBAG



We believe it's helpful to share questions and clarifications on dividend investment strategies with all of our subscribers. Keep in mind, Marc can answer your general strategy and service questions, but he cannot give personalized advice. As always, feel free to send us your questions at mailbag@oxfordclub.com.

Q. I held Enterprise Products Partners (NYSE: EPD) for a long time.

Now my cost basis is zero.

That means my distributions will be taxable – but will it be at the ordinary or qualified dividend rate?

– Erich K.

A. Enterprise Products Partners is a master limited partnership (MLP).

For those of you who are new to MLPs,

distributions (MLPs pay distributions, not dividends) are typically classified as a return of capital and are not taxed the way dividends are.

Instead, they lower your cost basis.

For example, if you bought the stock for \$20 and received \$1 per share in distributions, your cost basis would now be \$19.

After five years, it would be \$15, and so on.

Once your cost basis falls to zero, distributions are taxed as capital gains in the year they are received.

Q. I am fairly new to both *The Oxford Income Letter* and the process of evaluating companies for selecting individual stocks.

In addition to the book *Get Rich with Dividends*, do you have recommendations for books that describe how to assess the intrinsic value of a business or effective criteria for researching companies (and trends) and deciding what stocks to purchase? Thank you in advance.

– Jonathan

A. *The Intelligent Investor* by Benjamin Graham is an excellent book that teaches you how to value a business. I also like Joel Greenblatt's *The Little Book That Beats the Market*, although that has more of a stock picker's slant to it.

As far as approaches, as you know from reading *Get Rich with Dividends*, I look for stocks that will fit my 10-11-12 System.

(As a refresher, the starting dividend and expected dividend growth have to be able to achieve 11% yields within 10 years or, if the dividends are reinvested, 12% average annual total returns over 10 years.)

Some people use what is known as a top-down approach when selecting stocks. They'll think about trends or the economy and look for an investment that should do well in the current or future environment. They may say, "I think energy stocks will do well, so I'll look for an energy company" or "I'm underweight financials in my portfolio, so I should add another."

The opposite of that is what is called a bottom-up methodology. This is where the analysis starts at the company or stock level without regard to overall trends or holdings in a portfolio.

Note, you don't have to do only one or the other. Sometimes, if you come across a stock that excites you, you can dig into it and see whether it's right for you.

Other times, you'll have an idea about the kind of stock you want to add to your portfolio, and then you'll just have to find the right one.

Q. I joined *The Oxford Income Letter* earlier this year, and I'm hooked. I love your easy-to-understand analysis and the fat yields I'm getting from **Enterprise Products Partners** (NYSE: EPD) and **Lazard** (NYSE: LAZ).

But with more than 20 stocks in the portfolio and a lot of them rated "Buy," how do I know which one to buy next?

– Randall F.

A. Thanks, Randall.

I can't give you personal advice, so if you're looking at the stocks rated "Buy" in the portfolio, you should read the original recommendations. You can do that by going to the Portfolio section of *The Oxford Income Letter* on The Oxford Club's website and looking up the dates of the recommendations.

Then, you can search the issues by date. After that, search the site for anything else I've written about a company by entering the name of the company in the search box in the upper right part of the page.

To make it a little easier, I also publish my top three recommendations in *Oxford Income Weekly*. The Top 3 comes out on the second Thursday of the month.

The three stocks are selected for timeliness, so they're a great place to start.

Also, think about diversification. For example, if you have Enterprise Products Partners in your portfolio, you may want to hold off on adding another energy or financials company and instead choose a stock from a different sector.

That way, you have exposure to different parts of the market and economy. ■

TURBOCHARGE YOUR PROFITS WITH POWER CHANNELS

"If you can draw two lines... you can make money trading."

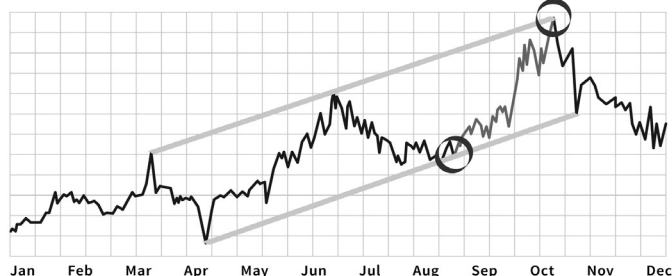
Recently, Chief Income Strategist Marc Lichtenfeld revealed his all-time favorite chart pattern for uncertain times – one that he has been tracking for 25 years.

These "Power Channels" have historically shown the potential to double your money in weeks... and right now, Marc is offering a free training to reveal how it's possible to use them to score big even when the market seems bleakest.

Many investors are intimidated by the idea of trading because they're not familiar with how it works. But the Power Channels Marc has identified aren't just the most effective indicators on the market... they're also the simplest.

Visit www.PowerChannels8.com to access his free training and his special offer now.

The Power Channel



Fixed Income Portfolio

Conservative fixed income for the future.

Blue Chip Corporate Bonds

| Bond | CUSIP | Rec. Date | Rec. Price | YTM | Coupon | Maturity | S&P Rating | Rating |
|-----------------------------|-----------|-----------|------------|-------|---------|----------|------------|--------|
| AT&T | 00206rdq2 | 7/7/17 | \$103.39 | 3.82% | 4.2500% | 3/1/27 | BBB | Buy |
| Discover Financial Services | 25472cau3 | 7/7/20 | \$97.29 | 4.01% | 3.5000% | 6/15/26 | BBB- | Buy |
| Ford Motor Credit Company | 34540tmp4 | 9/9/16 | \$100.58 | 3.37% | 3.4500% | 6/20/26 | BB+ | Buy |
| Newmark Group | 65158nab8 | 10/6/20 | Buy | 4.57% | 6.1250% | 11/15/23 | BB+ | Buy |
| Plains All American | 72650rb15 | 12/12/17 | \$101.17 | 4.34% | 4.5000% | 12/15/26 | BBB- | Hold |
| Prospect Capital Corp. | 74348ym99 | 9/10/19 | \$99.25 | 5.75% | 5.7500% | 4/15/26 | BBB- | Buy |
| QVC Inc. | 747262AY9 | 2/13/20 | \$101.38 | 4.46% | 4.7500% | 2/15/27 | BB+ | Buy |
| Trinity Industries | 896522ah2 | 4/10/18 | \$99.26 | 4.73% | 4.5500% | 10/1/24 | BB+ | Buy |

Municipal Bonds

| Bond | CUSIP | Rec. Date | Rec. Price | YTM | Coupon | Maturity | S&P Rating | Rating |
|---------------------------------------|-----------|-----------|------------|-------|--------|----------|------------|--------|
| Metropolitan Transportation Authority | 59259ytt6 | 6/9/20 | \$109.52 | 3.03% | 5.00% | 11/15/24 | BBB+ | Buy |

The Compound Income Portfolio

Dividend reinvestment for tomorrow.

Avg. Yield on Rec. Price: **6.59%** Projected Annual Dividend Growth: **7.80%**

Avg. Yield on Curr. Price: **4.97%** Dividends Raised Annually for an Avg. of **14.6 Years**

| Company/Ticker | Rec. Date | Rec. Price | Current Price | Current Yield | Rating | Total Return | Suggested Account Type* |
|---|-----------|------------|---------------|---------------|--------|--------------|--------------------------|
| AbbVie (NYSE: ABBV) | Jan-16 | \$57.21 | \$104.58 | 4.51% | Buy | 126% | Tax-deferred |
| American Campus Communities (NYSE: ACC) <i>REIT</i> | Sep-18 | \$42.70 | \$39.80 | 4.72% | Buy | 3% | Tax-deferred |
| AT&T (NYSE: T) | Feb-14 | \$32.08 | \$28.75 | 7.23% | Buy | 31% | Tax-deferred |
| BCE Inc. (NYSE: BCE) | Nov-13 | \$43.66 | \$43.36 | 5.82% | Buy | 39% | Tax-deferred |
| Broadcom (Nasdaq: AVGO) | Jul-20 | \$313.12 | \$401.58 | 3.24% | Buy | 29% | Tax-deferred |
| Chevron (NYSE: CVX) | Nov-14 | \$117.80 | \$87.18 | 5.92% | Buy | -5% | Tax-deferred |
| Cisco Systems (Nasdaq: CSCO) | Dec-16 | \$29.33 | \$43.02 | 3.35% | Hold | 66% | Tax-deferred |
| Digital Realty Trust Inc. (NYSE: DLR) <i>REIT</i> | Jan-14 | \$49.47 | \$134.75 | 3.32% | Hold | 256% | Tax-deferred |
| Eaton Corp. (NYSE: ETN) | Oct-15 | \$51.40 | \$121.11 | 2.41% | Hold | 181% | Taxable |
| Enbridge (NYSE: ENB) | Apr-19 | \$36.77 | \$31.21 | 7.98% | Buy | -6% | Taxable/ Tax-deferred |
| Enterprise Products Partners (NYSE: EPD) <i>MLP</i> | Apr-20 | \$14.90 | \$19.40 | 9.18% | Buy | 40% | Taxable |
| Lazard (NYSE: LAZ) | Jan-17 | \$40.70 | \$37.32 | 5.04% | Buy | 16% | Tax-deferred |
| New Jersey Resources Corporation (NYSE: NJR) | Nov-20 | \$33.25 | \$33.03 | 4.03% | Buy | -1% | Tax-deferred |
| NextEra Energy Partners (NYSE: NEP) <i>Yieldco</i> | Mar-19 | \$44.62 | \$63.47 | 3.75% | Buy | 53% | Taxable |
| Northwest Bancshares (Nasdaq: NWBI) | Jul-15 | \$12.73 | \$11.83 | 6.42% | Hold | 19% | Tax-deferred |
| Prudential Financial (NYSE: PRU) | Jun-19 | \$98.76 | \$75.62 | 5.82% | Buy | -17% | Tax-deferred |
| Raytheon Technologies (NYSE: RTX) | May-13 | \$49.93 | \$71.72 | 2.65% | Hold | 277% | Tax-deferred |
| Sumitomo Mitsui Financial Group (NYSE: SMFG) | Jan-20 | \$7.33 | \$5.77 | 6.43% | Buy | -19% | Taxable |
| Texas Instruments (Nasdaq: TXN) | Apr-13 | \$34.15 | \$161.25 | 2.53% | Hold | 481% | Tax-deferred |

The Instant Income Portfolio

Income for today.

Avg. Yield on Rec. Price: **7.38%** Projected Annual Dividend Growth: **9.00%**
Avg. Yield on Curr. Price: **5.27%** Dividends Raised Annually for an Avg. of **12.2 Years**

| Company/Ticker | Rec. Date | Rec. Price | Current Price | Dividends Collected | Current Yield | Rating | Trailing Stop | Total Return | Suggested Account Type* |
|---|-----------|------------|---------------|---------------------|---------------|--------|---------------|--------------|-------------------------|
| AbbVie (NYSE: ABBV) | Apr-20 | \$79.83 | \$104.58 | \$3.54 | 4.51% | Buy | \$78.67 | 35% | Tax-deferred |
| Digital Realty Trust Inc. (NYSE: DLR) <i>REIT</i> | Jan-14 | \$49.47 | \$134.75 | \$25.68 | 3.33% | Hold | \$120.83 | 224% | Tax-deferred |
| Enterprise Products Partners (NYSE: EPD) <i>MLP</i> | Nov-20 | \$17.93 | \$19.40 | \$0.00 | 9.18% | Buy | \$15.27 | 8% | Taxable |
| Lazard (NYSE: LAZ) | May-20 | \$24.80 | \$37.32 | \$0.94 | 5.04% | Buy | \$28.95 | 54% | Tax-deferred |
| NextEra Energy Partners (NYSE: NEP) <i>Yieldco</i> | May-20 | \$49.35 | \$63.47 | \$1.17 | 3.75% | Buy | \$51.06 | 31% | Taxable |
| Prudential Financial (NYSE: PRU) | Aug-20 | \$69.21 | \$75.62 | \$2.20 | 5.82% | Buy | \$59.89 | 12% | Tax-deferred |

The Retirement Catch-Up/High Yield Portfolio

Emphasis on current high yields.

Avg. Yield on Rec. Price: **7.47%**
Avg. Yield on Curr. Price: **6.02%**

| Company/Ticker | Rec. Date | Rec. Price | Current Price | Dividends Collected | Current Yield | Rating | Trailing Stop | Total Return | Suggested Account Type* |
|---|-----------|------------|---------------|---------------------|---------------|--------|---------------|--------------|-------------------------|
| Ares Capital Corp. (Nasdaq: ARCC) | Jun-20 | \$15.90 | \$16.48 | \$0.80 | 9.71% | Buy | \$12.65 | 9% | Tax-deferred |
| Fortress Transportation and Infrastructure (NYSE: FTAI) | Oct-20 | \$17.39 | \$20.87 | \$0.33 | 6.32% | Buy | \$16.03 | 22% | Taxable |
| GlaxoSmithKline (NYSE: GSK) | May-20 | \$42.21 | \$36.79 | \$1.46 | 5.39% | Buy | \$32.06 | -9% | Tax-deferred |
| People's United Financial (Nasdaq: PBCT) | Dec-20 | New | \$12.40 | \$0.00 | 5.60% | Buy | New | New | Tax-deferred |
| Rio Tinto (NYSE: RIO) | Sep-20 | \$60.87 | \$64.97 | \$0.00 | 4.77% | Buy | \$50.74 | 7% | Tax-deferred |
| The Chemours Compay (NYSE: CC) | Aug-20 | \$20.89 | \$24.33 | \$0.50 | 4.11% | Buy | \$19.20 | 19% | Tax-deferred |

Prices as of 11/30/2020. Trailing stops are adjusted to reflect dividends collected. REIT – Real Estate Investment Trust. MLP – Master Limited Partnership.

*We created the "Suggested Account Type" column in the spirit of The Oxford Club's fourth Pillar of Wealth – to cut expenses and stiff-arm the taxman. This column denotes the suggested account type in which to hold each position for tax purposes. Please note, stocks that are suggested for tax-deferred accounts may go into taxable accounts if necessary. Stocks suggested for taxable accounts should generally not be put in tax-deferred accounts. Everyone's situation varies, so please consult your tax professional or financial advisor before you invest.