

The Ultimate Holiday Deal in an Overvalued Market

A 7% Yielder That's on the Clearance Rack

Marc Lichtenfeld • Chief Income Strategist • The Oxford Club

In each month's edition of *The Oxford Income Letter*, I look for stocks with strong yields, low valuations, impressive operating performance and, notably, expectations for growth. But with the market at all-time highs, it's becoming harder to find those stocks.

The record highs mean many stocks are trading with unattractive valuations. They are so expensive that they won't reach the goal of the 10-11-12 System, which is to generate either 11% yields within 10 years or 12% average annual total returns over 10 years with dividends reinvested.

But for this issue, I've pulled off a Christmas miracle. I've found a 7%-yielding closed-end fund that trades at a discount and uses almost no leverage. It also gives us exposure to international markets...

In last month's issue, I mentioned that I wanted to add more international stocks to *The Oxford Income Letter* portfolios in order to add more diversification and to capitalize on their lower valuations compared with those of U.S. stocks. The chart below shows the MSCI World ex USA Index versus the S&P 500.

U.S. Stocks Are Much More Expensive Than International Stocks

■ MSCI World ex USA Index ■ S&P 500



Source: YCharts

MEET THE EXPERTS



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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 biotech.



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The MSCI World ex USA Index is an index of stocks from around the world excluding American stocks. The S&P 500 consists of only American stocks.

You can see how much pricier American stocks are compared with stocks from the rest of the world. The price-to-earnings (P/E) ratio for the S&P 500 is currently 25.6, while international stocks trade at a 30% discount with a more reasonable 17.9 P/E ratio.

On a forward P/E basis (based on next year's earnings), the S&P 500 is at 22.4 versus 16 for the MSCI World ex USA Index. So foreign stocks are 29% cheaper.

The price-to-book ratio comparison is really out of whack. International stocks are trading at just 1.9 times book value while the S&P is trading at 4.8 times book value. That's 152% more expensive.

Foreign Stocks at a Discount

Now, this won't be the first closed-end fund in the portfolio. I added the **BlackRock Resources & Commodities Strategy Trust** (NYSE: BCX) to the portfolio at the beginning of the year.

I liked that we could add exposure to natural resources at a 14% discount and achieve a 6.45% yield.

Since then, that discount has been more than cut in half, which is what we want to see as shareholders.

Today's closed-end fund recommendation has nearly half of its portfolio invested in international stocks and trades at an 8% discount.

That means we're able to buy those international stocks even cheaper.

In other words, we can buy \$1 worth of assets for \$0.92. That gives us two ways to profit. The net asset value (NAV) of the fund can rise, as it has been doing for years, or the discount can shrink (or both outcomes can happen).

For example, if a fund has a NAV of \$10 per share and is trading at an 8% discount, it trades at \$9.20.

The NAV could remain flat, but if the price rose to \$10, an investor would see a return of 8.7% (before dividends).

The **Aberdeen Total Dynamic Dividend Fund** (NYSE: AOD) sports a 7% yield. While 51.5% of the portfolio consists of U.S.-based companies, the rest of the portfolio is spread out all over the world (see chart on Page 3).

It's a well-rounded portfolio with allocations across 11 sectors, with information technology the top holding at 16.6%, followed by financials and healthcare at 12.8% and 11.5%, respectively.

Many closed-end funds achieve their high yields with leverage. In other words, they borrow money to buy more stock than the capital invested in the fund otherwise could.

That's great when the market is strong. But when the market falls, it can be a disaster.

The Aberdeen fund uses very little leverage (only 0.16% of the portfolio is leveraged).

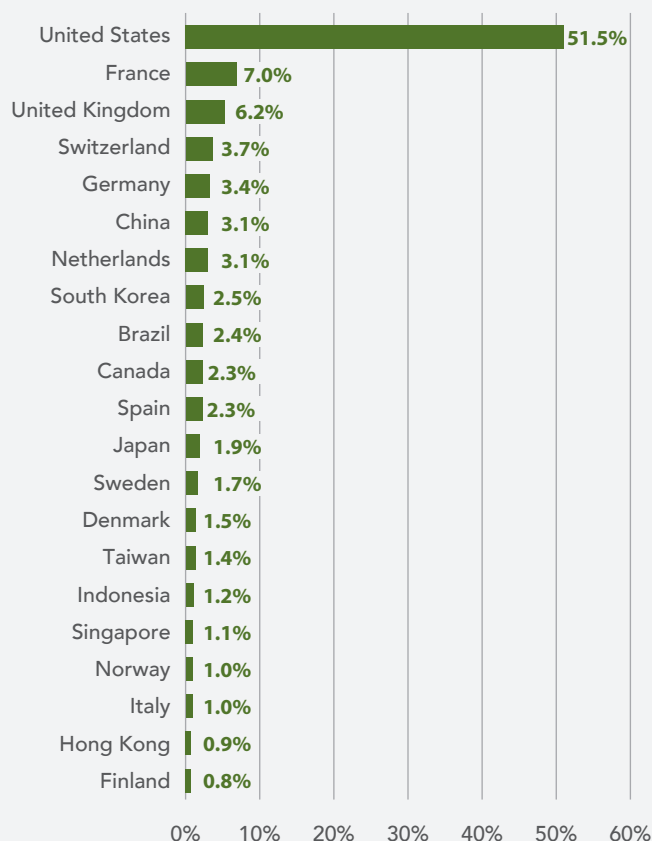
What Is a Closed-End Fund?

A closed-end fund is like a mutual fund, but with a notable difference... A mutual fund always trades at its net asset value, or NAV. If a mutual fund has \$100 million in assets and 10 million shares, it trades at \$10 per share. If the NAV rises to \$110 million the next day, the price rises to \$11.

A closed-end fund can be bought and sold just like a stock on an exchange. Its NAV is an important factor in its pricing, but it will trade at either a premium or a discount to NAV based on supply and demand.

But with closed-end funds, the book value per share, or the NAV in this case, is an important metric to consider. Because closed-end funds trade like stocks, they will trade higher than the NAV (at a premium) or lower (at a discount). This month's closed-end fund trades lower than the NAV.

The Geographic Exposure of the Aberdeen Total Dynamic Dividend Fund



Source: Aberdeen Group

And in addition to holding dividend stocks, the fund utilizes a dividend capture strategy. Dividend capture is when an investor buys a stock right before it goes ex-dividend in order to “capture,” or collect, the dividend. They often sell the stock shortly after.

In the Aberdeen Total Dynamic Dividend Fund, the managers are not constantly buying and selling. The turnover last year was 115%, which means they’re buying and selling the entire portfolio a little more than once per year. Through the first half of the year, turnover declined to 40% (not annualized), which means the portfolio is turning over less than once per year on an annual basis.

As a result of the dividend capture strategy, the fund may be able to receive five dividend payments – using the same amount of capital that would normally be used to receive four by buying and holding the same stock for the entire year.

I’ve received emails in the past from subscribers asking about dividend capture and whether it’s a good idea.

I’ve always discouraged investors from doing it. Dividend capture is a very difficult strategy to execute.

There are a lot of factors that go into a stock’s price, and if the stock goes down, you’ll likely negate the dividend you just collected.

What good is capturing an extra 1% dividend if you lose 2% on the stock?

As an individual investor, you’ll be going up against pros who know what they’re doing.

In a paper published in *The Journal of Finance*, Tyler R. Henry of Miami University and Jennifer L. Koski of the University of Washington stated, “Only certain institutions – those with trade execution skill – are able to profit from short-term dividend capture trading.”

In other words, don’t try this at home. The paper concludes that it takes great skill at execution to be profitable using dividend capture.

The managers at the Aberdeen fund clearly have those skills.

Over the last fiscal year (ending on July 31 for the fund), its total return was 40.9%, beating its benchmark, the MSCI All Country World Index, by more than 7.5 percentage points. It has beaten the index over the past three and five years as well.

The Aberdeen Total Dynamic Dividend Fund has paid a monthly \$0.0575 per share dividend since May of 2015, which comes out to a 7% yield.

The dividend could vary based on the holdings in the portfolio and the success of the fund’s dividend capture strategy.

When I said last month that I wanted more exposure to international markets, I didn’t realize I’d be able to find such a well-run opportunity with this strong a yield and this big a discount.

Action to Take: Buy the *Aberdeen Total Dynamic Dividend Fund* (NYSE: AOD), and add it to the *High Yield Portfolio*. Place a stop 25% below your entry price. Hold the stock in a tax-deferred account if possible. ■

An Investor's Best Defense Against Runaway Inflation

Jody Chudley • Contributing Analyst

Marc has been pounding the table about the risk of major inflation since the September 2020 issue of *The Oxford Income Letter*.

He was early. And he was right.

Inflation isn't a risk anymore. Inflation is here in a MAJOR way.

October's 6.2% rise in U.S. consumer prices is the largest year-over-year increase in more than 30 years.

We no longer have to wonder whether inflation is coming. The question we now face is this: Just how bad is it going to get?

Central bankers have flooded the world with an unprecedented amount of money since the financial crisis.

And the floodgates have only opened wider in response to the pandemic. This has created an ideal environment for nightmarish inflation in the coming years.

The risk of runaway inflation is now the highest we have faced in this country since the 1970s.

Legendary billionaire trader Paul Tudor Jones, who was active during the 1970s, recently said the following:

The number one issue facing the man on the street, as well as investors, is inflation. It's probably the single biggest threat to financial markets and society in general...

We have maybe the most inappropriate monetary policy that we've seen in my lifetime. We are adding stimulus, we are still quantitative easing when we should be doing the exact opposite. We're treating inflation with this cavalier attitude when we shouldn't be.

We're ignoring it because we haven't seen it in four decades...

The inflation genie is out of the bottle. If we don't immediately shift to attack it, we run the risk of getting back into the '70s, where it was the single most important issue for multiple presidents, multiple Fed chairmen. It was pernicious and persistent.

He hit the nail on the head.

Not only is inflation running extremely hot, but the U.S. Federal Reserve's monetary policy remains extremely pro-inflation.

When you're headed for a car crash, you should brake as hard as you can, not put the pedal to the metal like the Fed is doing!

Inflation is already bad, but our government's policy seems aimed at making it worse.

This Is What I'm Doing About Inflation

For the first time in my career as an investor, I'm scared of inflation. So what's an investor to do?

The old preferred standby hedge against rising inflation is exposure to gold or companies that benefit from rising gold prices. I don't think that's a terrible idea, but to be honest, gold just isn't for me.

Gold provides zero income as an investment, and the companies in the gold sector are generally weak dividend payers.

Income is my focus, and gold doesn't help with that.

The modern generation would offer up Bitcoin as the perfect gold hedge.

To that, I have to say, "No, thank you."

I'm an investor, not a speculator.

Bitcoin might end up becoming the greatest investment in history, but it could also turn out to be worthless.

I don't know which it will be, so I'm happy to avoid Bitcoin and cryptocurrencies.

To me, the way to protect my portfolio against the wealth-consuming ravages of inflation is right here in front of us at *The Oxford Income Letter*: own good dividend-paying companies.

A stock portfolio built around dividend-paying stocks is a tremendous, time-tested hedge against inflation. The table below has the numbers to prove it.

S&P 500: Dividend Growth Rate by Decade			
Decade	Total growth	Annual growth	Inflation rate
1950s	60.5%	4.8%	2.0%
1960s	72.7%	5.6%	2.3%
1970s	78.8%	6.0%	7.1%
1980s	95.6%	6.9%	5.5%
1990s	49.1%	4.1%	3.0%
2000s	36.0%	3.1%	2.6%
2010s	93.6%	6.8%	1.7%

Source: Robert Shiller data, *A Wealth of Common Sense*

In six out of the last seven decades, the growth rate of dividends paid by S&P 500 companies vastly outpaced inflation.

This means the income generated from owning the S&P 500 grows faster than inflation.

Even during the 1970s, when annual inflation averaged an incredible 7.1% for an entire decade, the 6% average annual growth in dividend income of S&P 500 companies nearly kept up.

And that's what the dividend stream from only the entirety of S&P 500 companies has done against inflation.

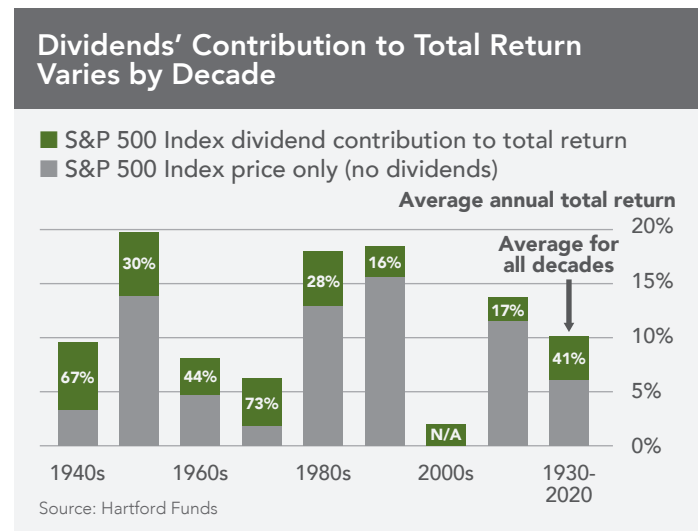
A portfolio built around exceptional dividend growth stocks can provide even more inflation protection.

The quarterly dividend of **Coca-Cola** (NYSE: KO), for example, started the 1970s at \$0.00344 per share and ended the decade at \$0.01125 per share. That's a total increase of 227% in the 1970s and an annualized increase of 12.58%.

That means Coca-Cola's shareholders grew their dividend income at a rate much larger than the red-hot annual 1970s inflation rate of 7.1%.

Even more important is the fact that in a high inflation environment, like the one we saw in the 1970s, dividends become a much more important part of the stock market's total returns.

The table below shows that, during the 1970s, a whopping 73% of the total return created by the S&P 500 came from dividends, with just 27% coming from capital appreciation.



If you didn't have a sizable weighting in your portfolio devoted to dividends during the 1970s, your portfolio struggled.

The good news is that you don't need to fear inflation when you own a portfolio of dividend-paying stocks.

Now, for the first time in an investing generation, investors are going to learn how vitally important those dividends are when high inflation attacks personal wealth.

With high-growth stocks having dominated for the past decade, I also believe that we are long past the point where the cycle should have turned back in favor of high-quality dividend-paying companies.

I believe continued inflation will be the catalyst that gets money flowing out of growth and into these dividend companies that offer inflation protection.

The Fed is losing control of the wheel, so make sure to keep your portfolio padded with reliable dividend payers. ■

Take Gains on Our QVC Inc. Retail Bonds

Marc Lichtenfeld • Chief Income Strategist

This month I am recommending the sale of our **QVC Inc.** (CUSIP 747262ay9) bonds.

These bonds have treated us well since they were recommended in February 2020.

The trading price for the bonds has risen from our \$101.38 purchase price to about \$103. That means we are sitting on a nice little capital gain.

My decision to sell these bonds comes from the fact that I'm unhappy with the decisions QVC's management team and board of directors are making with its cash.

The QVC bonds were originally recommended because of the nature of the business.

American media conglomerate **Qurate Retail Group** (Nasdaq: QRTEA) is the owner of QVC and HSN, which are roped together into one unit, QxH.

Qurate Retail has a loyal core customer base that allows the business to pump out a large amount of free cash flow year after year.

To give you an idea of how much Qurate's core customers love home shopping, consider that through the first three quarters of this year, the average returning QxH customer has made annual purchases of 27 items amounting to \$1,400. Loyal customers account for 87% of revenue for Qurate's QxH segment, and they return week after week, month after month and year after year to underpin this business.

A loyal core base is a good sign for bondholders.

As you might expect, 2020 was a banner year for the home shopping industry because everyone was locked in their homes due to COVID-19.

Calling 2020 a windfall for Qurate would not be far off.

Since then, though, the business has slowed as the world reopened.

For the third quarter, Qurate Retail's revenue dropped 7% year over year to \$3.1 billion.

I expected this, of course. But more concerning than the dip in revenue is the drop in cash flow.

Cash flow from operations has dropped from \$1.8 billion to \$715 million.

The free cash flow left over after investments in the business dropped from \$1.5 billion to only \$218 million.

Qurate's Shrinking Cash Flow (Millions)

Nine months ended September 30

	2020	2021
Net cash provided by operating activities	\$1,855	\$715
Less: Capital expenditures	(\$165)	(\$169)
Less: Expenditures for television distribution rights	(\$41)	(\$184)
Less: Investments in green energy	(\$88)	(\$98)
Less: Dividends paid to noncontrolling interest	(\$46)	(\$46)
Free cash flow	\$1,515	\$218

Source: Qurate Retail Group, Seeking Alpha

Now, to be fair, there's some fluctuation in cash flow numbers, driven by when sales are collected and when expenses are actually paid.

This means 2020 cash flows weren't quite as good as these numbers suggest, and 2021 hasn't been quite as bad.

However, there's no doubt that cash flow is down significantly. But what really concerns me are some of the recent decisions the company has made.

First, it has been spending a lot of cash repurchasing shares of the company.

Bondholders see no benefit from this action. Repurchases mean there is less cash on Qurate's balance sheet to ensure that the company can make good on our semiannual interest payments.

Where's the Yield?

Kristin Orman • Research Director

Some catchphrases stand the test of time. Fast-food chain Wendy's slogan "Where's the beef?" is one of them.

It was my favorite commercial growing up. I never got tired of watching the three old ladies standing over a giant hamburger bun asking what happened to the dinky patty.

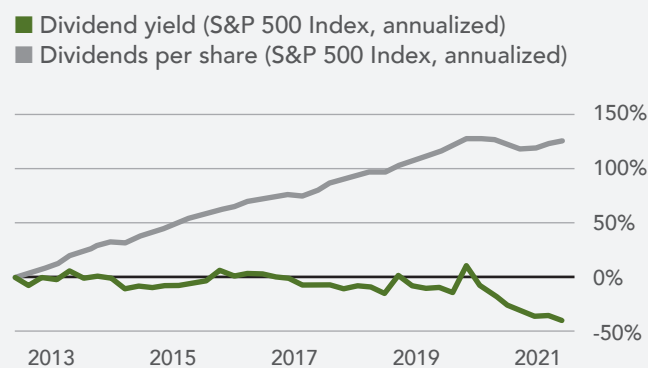
More than 30 years later, investors are asking the same question. Except, this time, the dinky patty happens to be dividend yields. The oversized bun takes the form of dividends per share.

Decent-yielding investments sure are hard to come by these days. Sometimes, it's hard to understand why.

The S&P 500's dividends per share are at record levels. However, as this month's snapshot shows, dividend yields are not.

Where's the Yield?

Dividend yields have fallen behind



Source: Bloomberg

Over the last 10 years, the growth of dividends paid out by members of the S&P 500 was 122%.

That's not a shabby number, and it certainly outpaces even today's inflation. But it doesn't tell the whole story.

During the same time period, the index's yield has actually fallen by nearly 40%.

Year to date, the company has spent \$216 million repurchasing shares, with \$120 million of that coming in the last couple of months.

As Qurate's management has seen revenue and cash flows fall, it has been ramping up how much cash it is sending out the door on repurchases.

Second, with the release of earnings for quarter three, Qurate announced that the company would be paying a special extra dividend of \$1.25 per share to shareholders midway through November.

Again, this dividend has done nothing for bondholders other than weaken the company's balance sheet. With 391 million shares outstanding, that means another \$488 million in cash went toward that dividend!

I'm shocked that management made this move with business clearly slowing. To make matters worse, Qurate carries a good amount of debt.

At the end of the third quarter, total long-term debt on the company's balance sheet came in at \$5.3 billion against \$798 million in cash in the bank.

And now that the one-time special dividend requiring \$488 million has been paid out, this company has been left with meager cash and a ton of debt.

With management sending cash out the door at a furious pace as the business slows, I don't like where this is heading.

Our bonds have a 2027 maturity date, which means we have to rely on this management team to make good decisions for years to come.

I no longer feel like we can depend on them.

With these bonds trading above our entry price, now is a perfect time to exit this position.

In doing so, we will have enjoyed the 4.75% coupon interest rate from these bonds for more than 18 months and will lock in a capital gain as well.

Action to Take: *Sell the QVC Inc. (CUSIP 747262ay9) February 15, 2027, 4.75% coupon bonds for \$103 (\$1,030 per bond) or higher.* ■

Up until the early 1990s, the S&P 500's dividend yield typically stayed north of 3%.

As the 1990s progressed, that yield tanked to just above 1%. After the dot-com boom and bust of the late 1990s, the index's yield steadied around 2%.

Today, the S&P 500's combined quarterly dividends total \$15.29 – an all-time high. That's one big bun.

Dividend yields, on the other hand, are near record lows at 1.28% for the S&P 500.

So, harking back to my favorite commercial, where's the yield?

Company balance sheets are loaded with record levels of cash. Payout ratios are low. The economy is recovering. Dividend payouts are increasing. That should be good news for dividend investors, and it is for the ones who are already holding the stocks that are increasing their dividends.

It's the new investors who are getting screwed out of beefy yields because dividend growth can't keep up with stock prices. Over the last 12 months, the S&P 500 has risen 25%, while dividends per share have gone up less than 0.2%.

The hunt for decent yields is on, and investments yielding north of 4% have become an endangered species.

That's why Marc is so excited about the **Aberdeen Total Dynamic Dividend Fund** (NYSE: AOD). The fund is trading below its net asset value with a yield of 7%.

The investment is a great find for investors seeking new sources of monthly income.

It goes to show that you can still find a decent yield on a big fluffy bun if you know where to look. ■

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. Hey, Marc!

I'm not sure if you've already given your opinion on the **Cornerstone Strategic Value Fund** (NYSE: CLM). I'm curious – what do you think about it? It pays a monthly dividend.

Thanks, Marc. – Greg T.

A. The Cornerstone Strategic Value Fund is an equity closed-end fund that pays a monthly dividend (like this month's recommendation). I wouldn't touch it for two important reasons...

Reason No. 1: While the 13.3% yield is impressive and the fund is raising its dividend to \$0.1808 per share monthly in 2022 from \$0.1602 in 2021 – giving it a 15% yield on today's prices – the dividend is based on net asset value (NAV),

not the income it generates. In fact, less than 0.5% of the yield comes from dividends the fund receives.

So it is simply returning shareholders' capital to them in the form of dividends.

This fund's largest holding by a wide margin is **Amazon** (Nasdaq: AMZN) – not exactly a big dividend stock.

Its top 10 holdings make up a third of the entire portfolio. Only one stock in the top 10, **JPMorgan Chase** (NYSE: JPM), yields more than 2%.

Reason No. 2: The fund trades at an insane 36% premium. That means you're paying \$1.36 for every \$1 in assets. I almost never recommend buying a closed-end fund trading at a premium.

I want to buy them at a discount, like we're doing this month with the **Aberdeen Total Dynamic Dividend Fund** (NYSE: AOD), which is trading at an 8% discount.

Would you rather pay \$0.92 for \$1 worth of assets, or \$1.36?

Which purchase price has the better chance of outperformance?

Be careful when paying up for closed-end funds with big yields, and make sure you understand where the dividend is coming from.

Q. Marc, have you ever looked at an exchange-traded fund (ETF) as an investment for income and dividends?

In particular, I have been looking at the **JPMorgan Equity Premium Income ETF** (NYSE: JEPI) and was wondering what you thought of it as an investment for its monthly dividend.

Your articles and newsletters are very insightful and informative.

Thanks. – Chuck L.

A. I'm glad to hear you're enjoying the articles, Chuck.

I get a lot of questions about dividend ETFs. I don't recommend them because I haven't found one that has a strong track record of annual dividend increases – including the ones that invest in Perpetual Dividend Raisers like Dividend Aristocrats (companies that have raised their dividends for 25 years in a row or more).

The JPMorgan Equity Premium Income ETF pays a strong monthly dividend that equals a 7.1% annual yield.

However, its turnover is 195%.

That means it trades its entire portfolio every four months on average. That kind of active trading is very unlikely to outperform the market.

And, in fact, it hasn't. Since inception in May of 2020, the ETF's total return (including that big dividend) has trailed the S&P 500 by more than 12 percentage points.

And keep in mind, more than 10% of the ETF's holdings are S&P 500 futures, meaning the rest of its portfolio lagged behind the S&P even more.

Lastly, while the yield is impressive, the dividend has varied widely from month to month.

Q. Hi, Marc.

I'm a big fan of your newsletter and your book *Get Rich with Dividends*. I've got a question that has been bugging me.

When you receive a dividend that's being reinvested back into the stock, how is the price of the stock determined?

The stock price can swing a lot, which could make a difference in how many shares are reinvested. – Robert F.

A. Thanks for the kind words, Robert.

Typically, a stock transfer company like Computershare that handles investor services for the publicly traded companies or your broker has a policy where shareholders receive a weighted average price for the purchases made on behalf of all investors that day.

For example, let's say Computershare needs to purchase \$10 million worth of **Cisco Systems** (Nasdaq: CSCO) stock on behalf of shareholders who are reinvesting the dividends. Computershare goes into the open market to purchase stock.

If Computershare bought the stock in two equal batches at \$55 and \$57, everyone reinvesting their dividends through Computershare's price would get \$56. ■

MARC'S TOP TRADES OF 2021

The Oxford Income Letter isn't Marc's only service that's generating big profits. Check out Marc's biggest gains of 2021 in each of his VIP Trading Services below.

Predictive Profits

600% gain in 112 days on the **Danaher Corp.** (NYSE: DHR) September \$260 calls

Lightning Trend Trader

138.9% in 70 days on the **Dicerna Pharmaceuticals** (Nasdaq: DRNA) October \$30 calls

Technical Pattern Profits

442.9% gain in 10 days on the **Toyota Motor Corp.** (NYSE: TM) April \$160 calls

Oxford Bond Advantage

97.47% gain in 885 days on the **Community Health Systems** (CUSIP 12543dav2) bond

For more information on any of these services, please call **888.570.9830** or **410.864.3090**.

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	Action
Apollo Commercial Real Estate Finance Δ	03762uab1	4/6/21	\$99.63	5.08%	4.7500%	8/23/22	N/A	Buy
Discover Financial Services	25472cau3	7/7/20	\$97.29	4.01%	3.5000%	6/15/26	BBB-	Buy for \$105 or lower
Ford Motor Credit Company	34540tmp4	9/9/16	\$100.58	3.37%	3.4500%	6/20/26	BB+	Buy
JPMorgan Chase †	46625hjlw1	1/12/21	\$108.53	5.50%	6.1250%	Perpetual	BBB-	Buy for \$110 or lower
Plains All American	72650rb15	12/12/17	\$101.17	4.34%	4.5000%	12/15/26	BBB-	Hold
QVC Inc.	747262ay9	2/13/20	\$101.38	4.46%	4.7500%	2/15/27	BB+	Sell for \$103 or higher
Trinity Industries	896522ah2	4/10/18	\$99.26	4.73%	4.5500%	10/1/24	BB+	Hold

Alternative Bonds

Bond	CUSIP	Rec. Date	Rec. Price	YTM	Coupon	Maturity	S&P Rating	Action
November I bond	N/A	11/1/21	\$25.00	7.12%	7.12%	11/1/51	AA+	Buy
Metropolitan Transportation Authority ◇	59259ytt6	6/9/20	\$109.52	3.03%	5.00%	11/15/24	BBB+	Buy for \$110 or lower

The Compound Income Portfolio

Dividend reinvestment for tomorrow.

Avg. Yield on Rec. Price: 7.27% Projected Annual Dividend Growth: 8.00%

Avg. Yield on Curr. Price: 4.45% Dividends Raised Annually for an Avg. of 14.2 Years

Company/Ticker	Rec. Date	Rec. Price	Current Price	Current Yield	Action	Total Return	Suggested Account Type*
AbbVie (NYSE: ABBV)	Jan-16	\$57.21	\$116.89	4.40%	Buy	165%	Tax-deferred
American Campus Communities (NYSE: ACC) <i>REIT</i>	Sep-18	\$42.70	\$52.50	3.60%	Buy	42%	Tax-deferred
Arbor Realty Trust (NYSE: ABR) <i>REIT</i>	Aug-21	\$18.40	\$18.06	8.00%	Buy	0%	Tax-deferred
BCE Inc. (NYSE: BCE)	Nov-13	\$43.66	\$50.83	5.40%	Buy	73%	Tax-deferred
Broadcom (Nasdaq: AVGO)	Jul-20	\$313.12	\$564.34	2.60%	Buy	88%	Tax-deferred
Chevron (NYSE: CVX)	Nov-14	\$117.80	\$114.85	4.70%	Buy	30%	Tax-deferred
Cisco Systems (Nasdaq: CSCO)	Dec-16	\$29.33	\$55.76	2.70%	Hold	121%	Tax-deferred
Digital Realty Trust Inc. (NYSE: DLR) <i>REIT</i>	Jan-14	\$49.47	\$168.79	2.70%	Hold	361%	Tax-deferred
Eaton Corp. (NYSE: ETN)	Oct-15	\$51.40	\$167.38	1.80%	Hold	295%	Taxable
Enbridge (NYSE: ENB)	Apr-19	\$36.77	\$38.21	7.00%	Buy	23%	Taxable/Tax-deferred
Enterprise Products Partners (NYSE: EPD) <i>MLP</i>	Apr-20	\$14.90	\$21.68	8.30%	Buy	69%	Taxable
Lazard (NYSE: LAZ)	Jan-17	\$40.70	\$44.68	4.20%	Buy	36%	Taxable
New Jersey Resources Corporation (NYSE: NJR)	Nov-20	\$33.25	\$37.72	3.80%	Buy for \$33.25 or lower	18%	Tax-deferred
NextEra Energy Partners (NYSE: NEP) <i>Yieldco</i>	Mar-19	\$44.62	\$86.60	3.20%	Hold	115%	Taxable
Northwest Bancshares (Nasdaq: NWBI)	Jul-15	\$12.73	\$13.32	6.00%	Buy	42%	Tax-deferred
Prudential Financial (NYSE: PRU)	Jun-19	\$98.76	\$105.03	4.40%	Buy	21%	Tax-deferred
Raytheon Technologies (NYSE: RTX)	May-13	\$22.75	\$82.94	2.50%	Hold	345%	Tax-deferred
Sumitomo Mitsui Financial Group (NYSE: SMFG)	Jan-20	\$7.33	\$6.60	5.20%	Buy	-5%	Taxable
Texas Instruments (Nasdaq: TXN)	Apr-13	\$34.15	\$194.38	2.40%	Hold	616%	Tax-deferred
TFS Financial Corp. (Nasdaq:TFSL)	May-21	\$20.01	\$18.39	6.10%	Buy for \$22 or lower	-5%	Tax-deferred

The Instant Income Portfolio

Income for today.

Avg. Yield on Rec. Price: **7.58%** Projected Annual Dividend Growth: **8.80%**
Avg. Yield on Curr. Price: **5.22%** Dividends Raised Annually for an Avg. of **12.2 Years**

Company/Ticker	Rec. Date	Rec. Price	Current Price	Current Yield	Action	Trailing Stop	Total Return	Suggested Account Type*
AbbVie (NYSE: ABBV)	Apr-20	\$79.83	\$116.89	4.40%	Buy	\$90.59	57%	Tax-deferred
Arbor Realty Trust (NYSE: ABR) REIT	Aug-21	\$18.40	\$18.06	8.00%	Buy	\$15.55	2%	Tax-deferred
Chevron (NYSE: CVX)	Feb-21	\$88.88	\$114.85	4.70%	Buy	\$87.96	34%	Tax-deferred
Digital Realty Trust Inc. (NYSE: DLR) REIT	Jan-14	\$49.47	\$168.79	2.70%	Hold	\$126.59	302%	Tax-deferred
Enbridge (NYSE: ENB)	Dec-20	\$32.98	\$38.21	7.00%	Buy	\$32.48	24%	Taxable/Tax-deferred
Enterprise Products Partners (NYSE: EPD) MLP	Nov-20	\$17.93	\$21.68	8.30%	Buy	\$19.08	31%	Taxable
Lazard (NYSE: LAZ)	May-20	\$24.80	\$44.68	4.30%	Buy	\$39.73	88%	Taxable
NextEra Energy Partners (NYSE: NEP) Yieldco	May-20	\$49.35	\$86.60	3.20%	Hold	\$65.77	83%	Taxable
Prudential Financial (NYSE: PRU)	Aug-20	\$69.21	\$105.03	4.40%	Buy	\$85.50	62%	Tax-deferred

The High Yield Portfolio

Emphasis on current high yields.

Avg. Yield on Rec. Price: **6.47%**
Avg. Yield on Curr. Price: **5.98%**

Company/Ticker	Rec. Date	Rec. Price	Current Price	Current Yield	Action	Trailing Stop	Total Return	Suggested Account Type*
Aberdeen Total Dynamic Dividend Fund (NYSE: AOD)	Dec-21	New	\$9.82	7.00%	Buy	New	New	Tax-deferred
Ares Capital Corp. (Nasdaq: ARCC)	Jun-20	\$15.90	\$20.41	8.00%	Buy	\$16.28	44%	Tax-deferred
BlackRock Resources & Commodities Strategy Trust (NYSE: BCX)	Jan-21	\$8.12	\$9.35	5.10%	Buy	\$7.62	21%	Taxable/Tax-deferred
British American Tobacco (NYSE: BTI)	Nov-21	\$34.79	\$34.32	8.40%	Buy	\$26.56	-1%	Tax-deferred
Dow Inc. (NYSE: DOW)	Apr-21	\$64.53	\$56.86	4.90%	Buy for \$70 or lower	\$53.18	-9%	Tax-deferred
GlaxoSmithKline (NYSE: GSK)	May-20	\$42.21	\$41.36	5.10%	Buy for \$50 or lower	\$32.65	7%	Tax-deferred
Global Medical REIT (NYSE: GMRE) REIT	Sep-21	\$15.83	\$16.42	5.00%	Buy	\$12.78	5%	Taxable
KDDI Corp. (OTC: KDDIY)	Mar-21	\$15.49	\$14.72	3.70%	Buy for \$16.25 or lower	\$13.32	-3%	Taxable
Omnicom Group Inc. (NYSE: OMC)	Oct-21	\$73.75	\$67.47	4.10%	Buy	\$57.43	-9%	Tax-deferred
Southern Copper Corp. (NYSE: SCCO)	Jun-21	\$68.76	\$59.56	6.70%	Buy for \$93 or lower	\$51.65	-11%	Taxable
Virtus InfraCap U.S. Preferred Stock ETF (NYSE: PFFA)	Jul-21	\$25.21	\$24.68	7.80%	Buy for \$25.50 or lower	\$19.07	1%	Tax-deferred

Prices as of 11/29/2021. Trailing stops are adjusted to reflect dividends collected. REIT – Real Estate Investment Trust. MLP – Master Limited Partnership. † – Floating-rate depository shares of JPMorgan Chase preferred stock. Δ – Convertible. ◊ – Municipal Bond.

*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.



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