

SPF Perfect Portfolio Security Selections

Here's my stab at the Permanent Portfolio.

If you are not familiar with the permanent portfolio concept, [read this article](#).

Stocks

For all of the reasons discussed in my article about income investing, I do not buy many growth stocks anymore. You can't use paper profits to buy things ("unreal. capital gains", as I call them). However, I'm not ready to ignore the stock market all together. I have three securities in my permanent portfolio that I classify as "stocks."

SCHB - Schwab Strategic Trust - Schwab U.S. Broad Market ETF

\$70.15 ▲ **1.20 (1.74%)**

NYSEARCA | 2:09 PM 5/20/20 15 minute delayed price

Summary Holdings Ratings Key Data Dividends Momentum Peers

1D 5D 1M 6M 1Y 5Y 10Y MAX Advanced Chart



52wk high:	81.04
52wk low:	51.38
Expense Ratio:	0.03%
Div Frequency:	Quarterly
Div Rate (TTM):	\$1.44
Yield (TTM):	2.09%
Assets (AUM):	\$14.17B
Volume:	550,002

SCHB represents 2500 stocks, including some large, medium, and small cap stocks. It yields 2%, cost very little (0.3%), and has a 10 year annualized return of 11.3%.

2) USA - Liberty All-Star Equity Fund



USA is a closed-end fund. It doesn't have a great looking graph, but the return is all dividend, 10.5 % at the moment. It is a managed fund, with a 1% expense ratio, about the most I like to pay. The 10-year annualized return is 10.3% The fund holds about 150 stocks

3) UTG - Reaves Utility Income Fund



This is another closed-end fund that owns about 44 utility and infrastructure stocks. It pays a monthly dividend, totaling 7.5% per year. The 10-year annualized return is 12.5% per year. The management fee is 1.14%. The fund employs 25% leverage.

Preferred Stocks

4) JPS - Nuveen Preferred & Income Securities Fund



JPS is a closed end fund that invests in preferred stocks, bonds, convertibles, and other income-producing securities. The yield is 7.5%, distributed monthly. The fund owns over 200 securities and employs about 30% leverage. The 10-year annualized return is 8.5% per year.

5) CODI-C - Compass Diversified Holdings LLC 7.875 PFD SER C



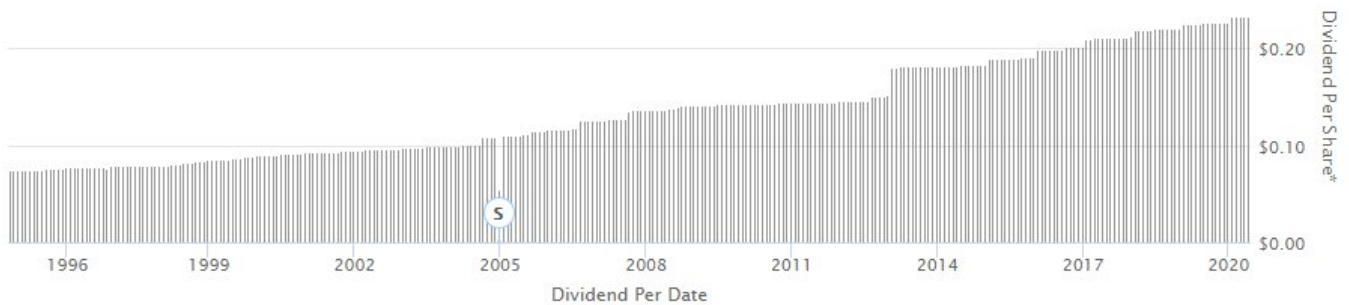
Compass Diversified Holdings (CODI) is a holding company that invests in private businesses, mostly in the consumer and industrial sectors in the USA. CODI has been successfully acquiring and managing middle-market companies for more than 30 years, and it outperformed the S&P 500 index during the 2008 recession. The company buys mid-sized companies for 100 - 700 million and currently owns 9. The CODI-C preferred stock has no set maturity, though it is callable after 1/30/2025. and pays a coupon rate of 7.875%. Currently, it can be bought at a discount (22.5) so the current yield is 8.71%. The dividend is cumulative. A K-1 tax form will be issued.

Real Estate

6) O - Realty Income Corporation



Realty Income Corporation, in business since 1969, calls itself the “monthly dividend company,” with 598 consecutive monthly dividends paid and 90 consecutive quarterly dividend increases.



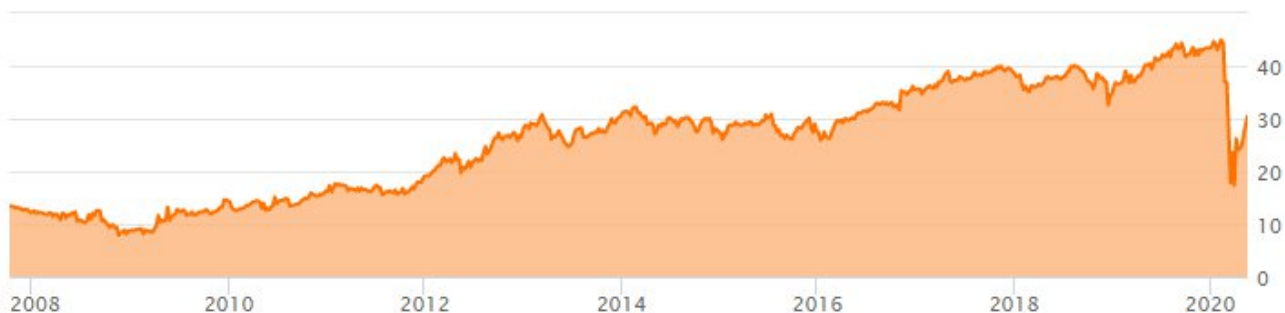
O leases 6500 properties to 630 tenants in 49 states. It's 10-year annualized return is 11.5% per year. O occasionally gets pricey; when that happens, just buy something else with your cash until the price drops.

7) RFI - Cohen&Steers Total Return Realty Fund

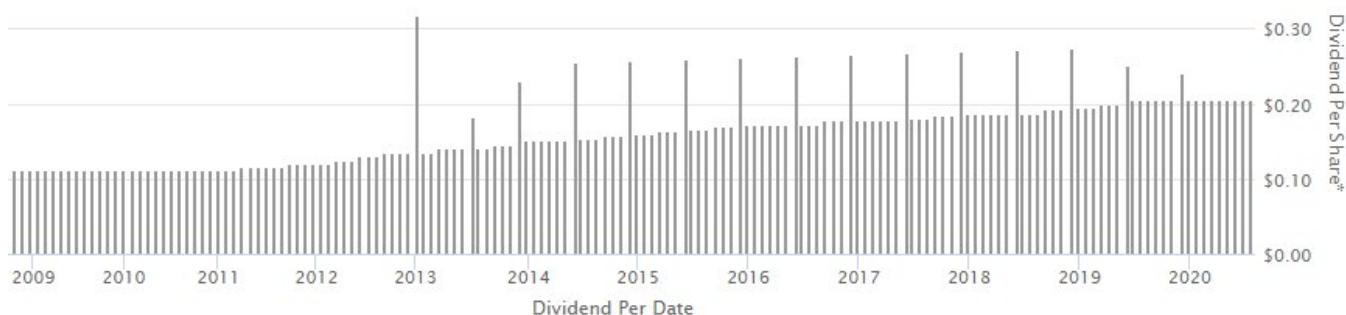


RFI, a closed end fund, invests in 182 REITs. It yields 8.6% without using leverage. The 10-year annualized return is 8.6%. Dividends are paid monthly.

8) MAIN - Main Street Capital



MAIN Dividends:



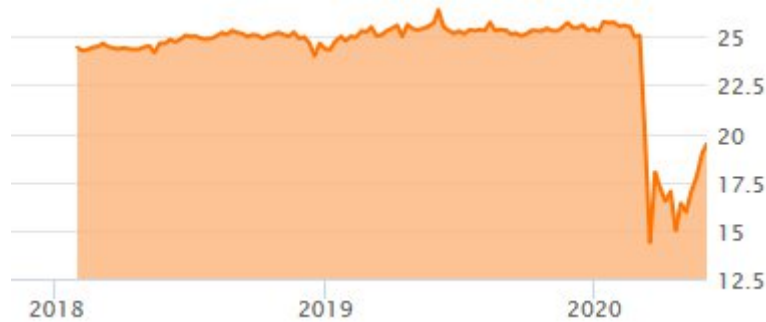
MAIN is a business development company. Dividends have gradually risen since the 2009 recession. Yield has run from 5-7% over the past 10 years. Annualized total return over the past 10 years is 13.5% per year. ([Stock Total Return and Dividend Reinvestment Calculator](#)). Main currently deploys 4 billion in capital across 182 companies. It has been in business for 25 years.

9) PMM - Putnam Managed Municipal Income Trust



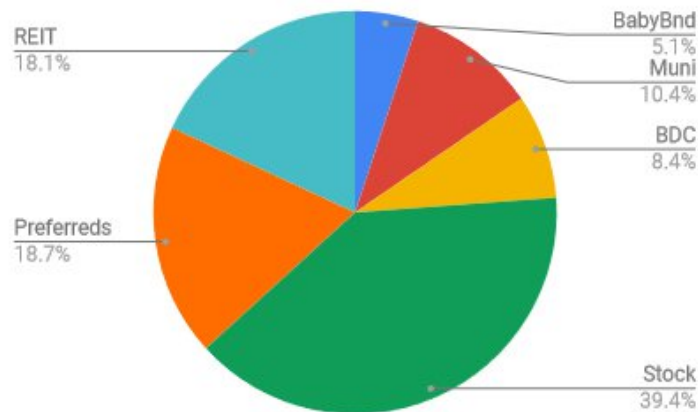
PMM is a closed-end fund that invests in over 380 municipal bonds. The dividend and the 10-year annualized total return are both about about 5.2% (free of federal income tax). Dividends are paid monthly. The fund uses 25% leverage. There is little correlation between the stock market and municipal bonds. For tax-deferred accounts, consider GBAB - Guggenheim Build America Bonds Managed Duration Trust, a fund of taxable municipal bonds with a 10-year annualized return of 7.6.

10) Great Elm Capital Corp., 6.75% Notes due 1/31/2025



GECCM is a baby bond. The 6.75% notes issued are callable after 1/31/21 and will redeem at \$25.00 on 1/31/2025. The parent company GECC makes loans to middle market private companies. The average yield on their 35 investments (28 debt, 7 equity) in 26 companies across 21 industries, is 10%. They have issued 3 baby bonds at an average interest rate of 6.5%. Current yield on GECCM is 9.12%. It was purchased at \$23.00. The current dividend for the parent company, GECC, is 27% (12% prior to the COVID crash).

Asset Allocation for the SPF Permanent Portfolio



Simple Personal Finance, home of the *Dividend-Tracker*



<http://simplepersonalfinance.info>

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