


# What You'll Hear When You Call My Office

When you call the office of [Richard C. Young & Co., Ltd.](#)  during business hours, what you'll hear first is the voice of a real human being working at an American small business that values its clients. You won't hear a recorded phone tree directing you to a no man's land of extensions and recordings. You won't be answered by someone in a far-off place. Whoever answers the phone will pick up in either of our Naples, Florida, or Newport, Rhode Island offices. The personal touch you get from the folks you'll talk to is part of what has earned Richard C. Young & Co., Ltd. a ranking in the top 5 of *CNBC's* 100 Financial Advisors (2021), and what has earned my son, Matt Young, President and CEO of Richard C. Young & Co., Ltd., an induction into the *Barron's Hall of Fame Advisors* (2021). [Disclosure](#)

While you are being transferred to your advisor by the helpful reception staff, you may be put on hold for a brief moment. That's when you'll be treated to something I have picked out for you personally. The hold music you'll hear is a recording of Booker T. and the MGs playing "Green Onions." Booker T. Jones, recorded his first version of "Green Onions" with the MGs in 1962 after he began composing it two years earlier while still attending high school. "Green Onions" peaked at number 3 on the Billboard Hot 100 in August of 1962 and spent four nonconsecutive weeks at the top of the R&B singles chart.

The first MGs consisted of Lewie Steinberg on bass, Steve Cropper on guitar (a Telecaster), and Al Jackson Jr. on drums. Jones played a Hammond M3 organ on the track. Many will tell you he played a B3, but I have seen the organ with my own eyes at the Stax Museum of American Soul Music in Memphis and can assure you it's an M3 in the building. This point confuses many because

Jones is so well known as a B3 player.

I have followed Booker T. Jones's career for decades, and I have met him multiple times at venues around the country. When he was inducted into the Musicians Hall of Fame in Nashville in 2008, I was there in the center of the eighth row. I own all of Jones's original 45s, including multiple versions of "Green Onions," and play them regularly on my Wurlitzer jukebox at home. The various versions include;



- The original on Stax's sister label, Volt, released in May 1962, on which Green Onions was the B-side to Behave Yourself.
- A September 1962 release on Stax, with Behave Yourself as the B-side
- And a March 1967 UK-only release on Atlantic Records that included Boot-Leg on the B-Side

The song you hear while you briefly hold during a call to Richard C. Young & Co., Ltd. is not some random muzak assigned to such moments by the telephone company. I picked it out specifically for clients in order to connect them to my lifelong interest in jazz, instrumental R&B, and Southern soul music. There are many versions of "Green Onions," both by Booker T. himself and others, including an outstanding version by Mike Bloomfield and Al Kooper live at the Fillmore West in 1968. Harry James also recorded a respectable version in 1965.

If you're looking for investment advice, please call in at 888-456-5444. Enjoy the service you'll receive, and if you do

find yourself on hold, please know that I personally selected the music for you.

Dick Young

**P.S.** When markets get hit by a hurricane, *Young's World Money Forecast* is your port in a storm. [Click here to sign up for my free email alert](#). I'll never share your information with anyone.

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## Do Governments Cause Recessions On Purpose?

That's a question I put to readers back in 1988, and which is now relevant to today's economy. The Federal Reserve is rapidly raising rates, and that is good news for savers who want to invest in bonds with decent interest rates, but the implications for the greater economy are also noteworthy. Here's what I wrote in response to that question then:

### *Do Governments Cause Recessions On Purpose?*

*A recession is a prospect in the second half of 1989 because smart presidents realize that it's tough to get re-elected if the public is dealt a recession before a presidential election year. It's wise to take the recession medicine in the first year of a new term. I can't overemphasize this point. Ike and Jimmy Carter fouled up and dropped a recession on voters' plates in the final year of a presidential term. The result: neither's respective party was re-elected. Over and over again, recessions begin in the first year of a four-year presidential term. I see no reason why things should be*

*different this time around.*

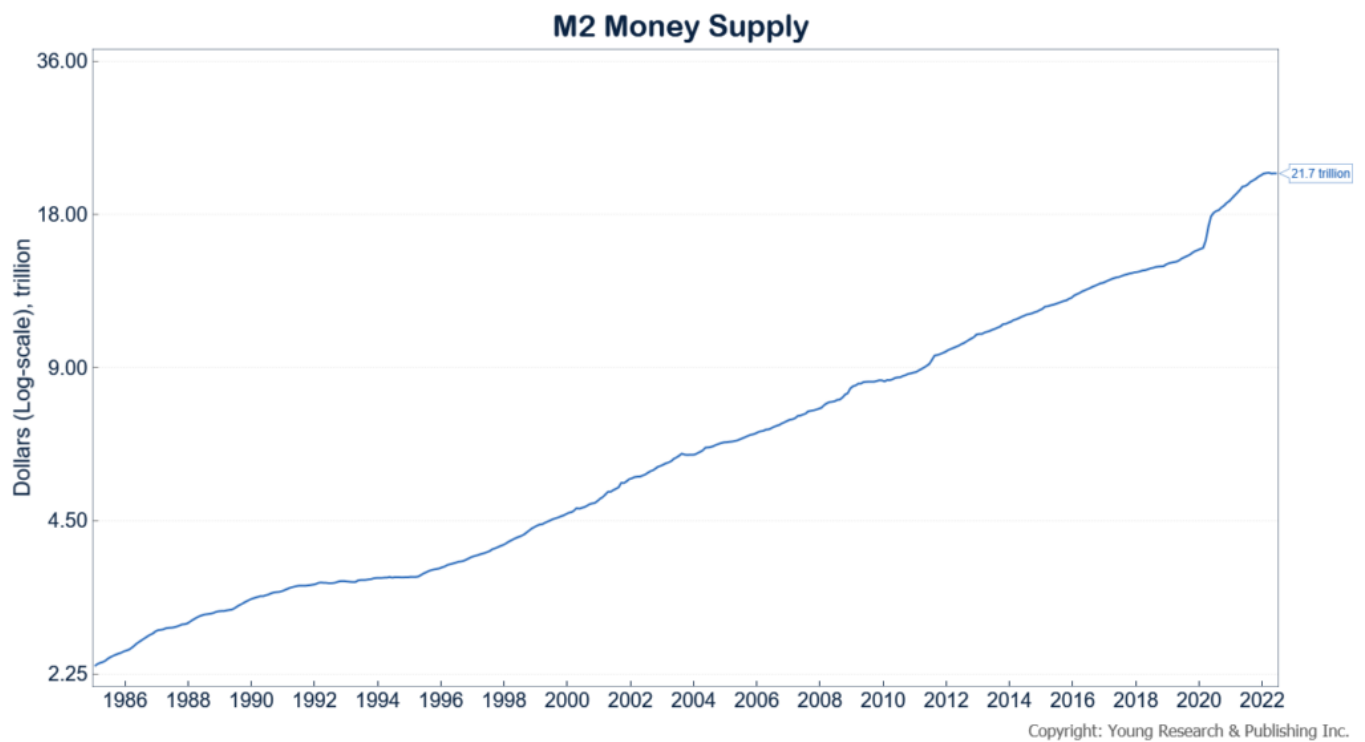
*"Wait a minute," you ask. "Are you saying, Young, that governments cause recession on purpose?" Oh, yes! And here is adequate evidence to support this view.*

*For openers, the gentlemen who control the money switches at the Fed can throw the economy on a recession course by slowing the money supply growth and raising short-term interest rates. And if you have missed it, that is precisely what has been going on over the past year.*

*M2 growth has been cut from 7% to 1%. High powered money (currency and bank reserves) growth has been cut sharply, and for good medicine, interest rates have been forced up literally from the day 1988 got under way. Your most important benchmark rates, the rates on 90-day CDs and 90-day T-bills, have soared in 1988 even though you were told by an unfortunately large number of advisors and brokers that just the reverse would occur in 1988. The 90-day CD rate has gone through the roof, climbing to 8.5% from 6.6% last February. You can now get 8% on risk-free 90-day T-bills versus only 5.6% last February. Some rate decline, wasn't it!*

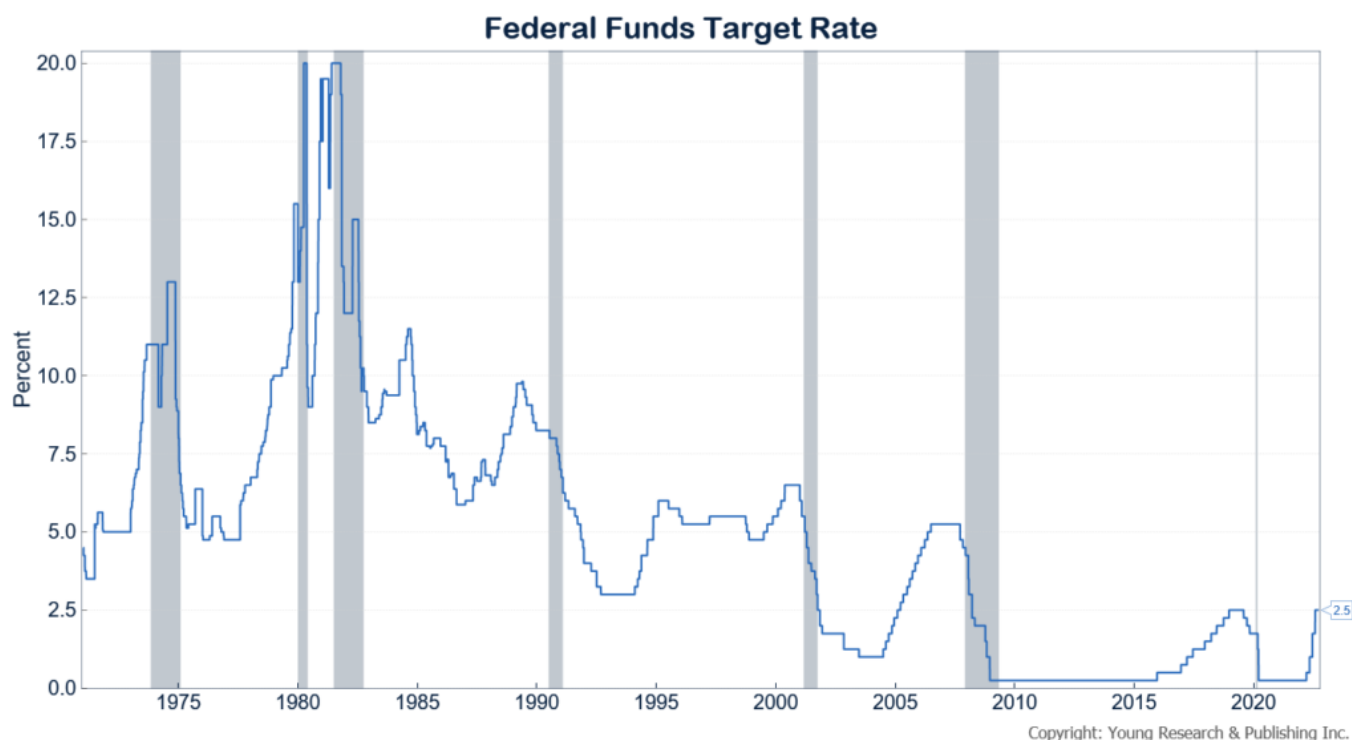
So is Joe Biden attempting to avoid the mistake made by Carter, to whom he is so often compared? It's too late to take a recession in his first year, but it's better now than later.

Of Biden's intentions, your guess is as good as mine. What shouldn't be in doubt is the ability of the Federal Reserve to drive the economy into recession. As I wrote, "the Fed can throw the economy on a recession course by slowing the money supply growth and raising short-term interest rates." Take a look at my chart of M2 going back to 1985 below:



You can see that not only has M2 growth slowed, but it has also begun to decline. This is a significant event for the economy.

Now take a look at the Fed Funds Target Rate with recessions shaded over in grey (below). As you can see, a recession occurred shortly after nearly every significant increase in the Fed Funds rate.



The Fed has both slowed the growth of the money supply and raised short-term interest rates. Fed Chairman Jerome Powell may say there's no recession and that the Advance GDP estimate should be "taken with a grain of salt," but only history can sit in judgment of those statements.

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## The Magic of Compound Interest

*UPDATE 6/27/22:* I don't want to harp on cryptocurrency speculators. They've been through a lot lately and not much of it good. The news that Three Arrows Capital, a Singapore-based cryptocurrency hedge fund is at risk of defaulting on \$675 million in loans must be pretty terrifying for the crypto market. During all their time speculating on the newest technological innovation, crypto investors ignored the one magical power available to them, compound interest. Now, investors in Three Arrows are at risk of losing everything.

**Baystreet reports on the firm's imminent collapse:**

*Singapore-based Three Arrows is one of the largest and most prominent cryptocurrency hedge funds. But it is facing a liquidity and solvency issue as billions of dollars have been wiped off the cryptocurrency market in recent weeks as prices for Bitcoin (BTC), Ethereum (ETH), and other digital assets have plunged.*

*Voyager Digital (VOYG), a cryptocurrency brokerage firm, lent Three Arrows 15,250 Bitcoins and \$350 million of the stablecoin USDC, totaling \$675 million U.S. The entire loan is due to be paid back today (June 27).*

*None of the loan has been repaid yet, Voyager said last week, adding that it may issue a "notice of default" if Three Arrows does not pay the money back.*

*Voyager, which is listed on the Toronto Stock Exchange, has seen its shares fall 95% this year.*

*Three Arrows Capital was established in 2012. The onset of a so-called "crypto winter" has hurt digital currencies and related companies across the board in recent weeks.*

*Originally posted April 5, 2022.*

Back in 1964, I began a lifelong mission as a disciple of compound interest investing. In those earliest days, home base was Clayton Securities at 147 Milk St. in Boston's financial district.

By 1971 I had gotten into institutional trading and research with Model, Roland & Co. on Federal Street. My first accounts were Fidelity Investments and Wellington Management.

Today, over 50 years have somehow flown by, and I am still doing business, a whole lot of it, daily with Fidelity (my family

investment firm's custodian) and Wellington (my own account's largest positions).

Wellington, for its part, manages billions of dollars in client assets for Vanguard. In the late 80s and early 90s, my friends at Vanguard let me know that my newsletter was responsible for directing more assets Vanguard's way than the rest of the newsletter industry combined.

Jack Bogle, the founder of Vanguard, was a friend of mine from Jack's days at Wellington., Jack provided the key testimonial for my first book.

The focus and foundation for my five-decade adventure has been rooted in one little phrase: ***compound interest***. The accompanying photo is my tattered little Union Carbide spiral booklet.



# COMPOUND INTEREST TABLES

DIVIDE 72 BY % RATE  
TO FIND APPROX YEARS TO DOUBLE

ex  $\frac{72}{10\%} = 7.2 \text{ yrs}$

62  
54  
92  
93  
94  
811  
500  
1305

Geo. PUTNAM  
NEW GENERATION FIN  
Philly  
The TOWNSEND (SHR)

HOW LONG TO DOUBLE AT 10%  
in 7.2 yrs.



\$ 10,000 = 20,000 7.2 yrs  
40,000 14.4 yrs  
80,000 21.6 yrs  
160,000 28.8 yrs

UNION CARBIDE  
CORPORATION

270 Park Avenue  
New York, N.Y. 10017

In 1992, Debbie and I bought a little pink Conch cottage in Old

Town, Key West, just 90 miles from Cuba. Our son Matt has been our president since, and our daughter Becky is our chief financial officer. E.J. (Your Survival Guy), our son-in-law, after a valued internship with Fidelity, is director of client services.

I continue to research and write seven days a week on behalf of our firm's clients. Debbie and I still live in Key West, and we do a lot of our research in the 8th arrondissement of Paris. The six-hour time difference works to our favor in getting material to our editorial staff back in Newport, RI.

Thanks to one basic concept – *compound interest* – I have been able to comfortably and with astounding consistency plot the course for our ultra-conservative, balanced investment firm for over five decades.

You can bet that Debbie and I were pretty proud when our son Matt recently called to tell us that *Barron's* had informed him that he had been selected to Barron's Hall of Fame (2012-2022), while *CNBC* had just ranked our modest investment management firm #5 in America (2021) out of more than 14,800 registered investment companies. I guess when all is considered, there is a lot of good that be said about compound interest, consistency, and the value of the Prudent Man Rule. [Disclosure](#)

As they say, "It works for me."

Dick Young  
Old Town Key West  
5 April 2022  
90 miles from Cuba

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# When Bigger *Is* Better

*Originally posted October 22, 2021.*

Supply chain disruptions and rising raw materials costs are eating into profitability and resulting in shortages of products for many firms. Procter and Gamble is not immune to rising prices and supply chain disruptions, but strong brand value and impressive scale have enabled the company to navigate the environment better than some. Price hikes are being passed onto consumers and P&G is finding a way to keep its products in stock by leveraging its scale. Sharon Terlep writes in *The Wall Street Journal*:

*Procter & Gamble Co. said that it expects solid sales and profit growth over the next nine months, even as costs for everything from warehouse space to raw materials rise faster than the consumer-products company expected.*

*From furniture makers to grocers, the world's biggest companies are using their deep pockets, sprawling global operations and commanding market share to insulate themselves from the global supply-chain meltdown.*

*They are also flexing their pricing power, taking advantage of consumers' willingness to pay up for higher-end products.*

*P&G, maker of Tide detergent and Crest toothpaste, said Tuesday it will start charging more for razors and certain beauty and oral care products, price increases that come in addition to earlier moves to start charging more for staples from diapers to toilet paper.*

*The company said its sales and profit goals for the year remain intact, as it has managed to keep products in stock.*

*"To the consumer, it looks like we're in good supply," P&G*

*Finance Chief Andre Schulten said in an interview.*

# A Case Study in Dividend Success

At Young Research, when we look for dividend stocks for the Retirement Compounders, we favor companies with strong balance sheets, stable businesses, a healthy dividend yield, and a history of increasing dividends.

What does that look like in practical terms? While the ideal company financial position for the RCs can vary by industry and sector, Procter & Gamble serves as a nice case study in dividend success.

## A Strong Balance Sheet

We look for companies with strong balance sheets because financial strength provides flexibility during tumultuous times in the business cycle.

Procter & Gamble (P&G) has one of the strongest balance sheets among large U.S. businesses. Its debt is rated Aa3/AA- by Moody's and S&P. Only about 2% of firms in the S&P 500 have a credit rating as good as P&G's.

P&G's debt after backing out cash on the balance sheet is about equal to the company's cash flow before taxes and interest. In other words, P&G could theoretically pay off its debt in a little longer than one year if it used all cash for debt reduction.

With a balance sheet that strong, P&G could fund its dividend for several years even if it runs into a rough patch.

How could P&G fund the dividend during a rough patch? For starters, there is \$10 billion in cash on the balance sheet. Assuming a rough patch for P&G caused profit margins to go from 19% today to zero, P&G could fully fund a year's worth of dividend payments with cash on the balance sheet. The second line of defense for the dividend would be for P&G to borrow money. P&G could easily borrow 2-3 years' worth of dividend payments without losing its investment-grade rating. Obviously, the definition of a rough patch can vary, but in the scenario outlined above, P&G could have a 3-4-year rough patch without putting the dividend in jeopardy.

## **Business Stability**

P&G's dividend reliability is also bolstered by the nature of its business. Toilet paper, diapers, toothpaste, and cleaning products are staple purchases for most consumers. That is true whether the economy is in boom or bust. Stable businesses tend to be better equipped for long-term dividend payments and dividend growth than cyclical businesses.

## **Dividend Payout Ratio**

When possible, we also favor companies with modest dividend payout ratios. The payout ratio is the percentage of net earnings paid to shareholders in the form of dividends. Firms with lower payout ratios can more easily continue to pay and raise dividends even during a business downturn. If a company has a payout ratio of 100%, any drop in earnings will either require the company to reduce the dividend because the earnings aren't there to support it, use cash on hand, or borrow money.

Procter & Gamble pays out about 60% of its earnings to shareholders in the form of dividends. That means earnings could fall by 40% without requiring alternate means to fund the dividend. In practice, for many industries, we compare the

dividend to free cash flow instead of earnings to get a truer picture of the payout ratio. P&G looks even better on that metric.

## The Dividend

Next is the dividend and the dividend policy. Everything else equal, higher dividend yields are better than lower dividend yields, and a stronger commitment to the dividend in the form of a long record of dividend payments and a long record of dividend increases is better than a weaker commitment to the dividend.

- P&G shares yield 80% more than the S&P 500
- P&G has paid a dividend every year since 1891
- P&G has increased its dividend for 66 consecutive years

## The Model of Dividend Success

With a strong balance sheet, a stable business, a modest dividend payout ratio, and an enviable dividend track record, P&G truly is *the* model of dividend success.

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## Work to Make Money/Invest to Save Money



The U.S. government must finally wise up and put an immediate end to the insane double taxation of dividends.

The government, facilitated by the Fed, is in an ongoing war to destroy the value of the dollar by printing money beyond any reasonable rate of expansion. Simply take a look at real estate prices to witness the explosion in liquidity.

Do not let the government destroy the value of your retirement. Demand that the government ends the double taxation of dividends!

*Originally posted October 17, 2017.*

With the exception of the large sums of money that I invested in zero-coupon treasuries (Benham Target Funds) in the 1980s and 1990s, I have never invested based on how much money I expected to make. I work to make money. And I save to keep every dime of the money I have worked a lifetime to earn. There was a day when I had darn few of those dimes. Those days made an indelible impression on me, and will so forever.

I invest with a rolling 10-year average annual return portfolio target of a balanced 4+%. This modest target is based on the normalized annual portfolio draw I advise for retired investors. Long-term balanced targets include surviving through agonizing periods of negative returns for the stock market in general. I remember like it was yesterday the tortuous 16-year bear market of 1965 through 1981. This period encompassed my entire career in the institutional research and trading business. It terminated with the Dow down 10% from where it began. Had I not emphasized 100% fixed income in my own account and in our college savings program for Matt and Becky, my goose would have been cooked. It never pays to be an investing know-it-all.

My investments today, for me and for all our clients, combine a mix of intermediate and short fixed-income securities and portfolios of dividend-paying stocks. Annual dividend increases are always at the forefront of my investment process. Ben Graham advocated a portfolio mix of 75/25–25/75 fixed income and equities. Ben. eschewed moving outside of this range, and I've never come across evidence that supports otherwise.

Since my earliest investing days in the 60s, I have relied upon the ground rules and reference material I studied while an investment major at Babson College. It was based wholly on the advice given in my Graham & Dodd textbook and my studies in Dr. Wilson Payne's investment seminars. Decades later, I've not changed my philosophy.

Through the years, I've had the privilege of influencing the investment thought process of thousands of individual and corporate investors around the globe. Many have been my management clients since I started Richard C. Young & Co., Ltd. in the late 80s, and the majority would likely agree with me that I am perhaps the most consistently boring, prudent, patient investment advisor on the planet. I certainly hope this is so. Like *The Hobbit*, I view adventures (in this case investing adventures) as "nasty disturbing uncomfortable things" that "make you late for dinner."

I am ultraconservative in my daily affairs of life, which includes personal security preparation, and I see no purpose in not applying the same protection to financial security.

I modeled our family company after the old-line investment counseling family-run firms that populated Boston's financial district along State, Federal, Milk, and Congress streets in the sixties—a harking back to a more gentrified era in investing. Many of these fine old white-shoe firms were my clients when I was associated with the internationally-focused Model Roland & Co., where I was involved in institutional research and trading.

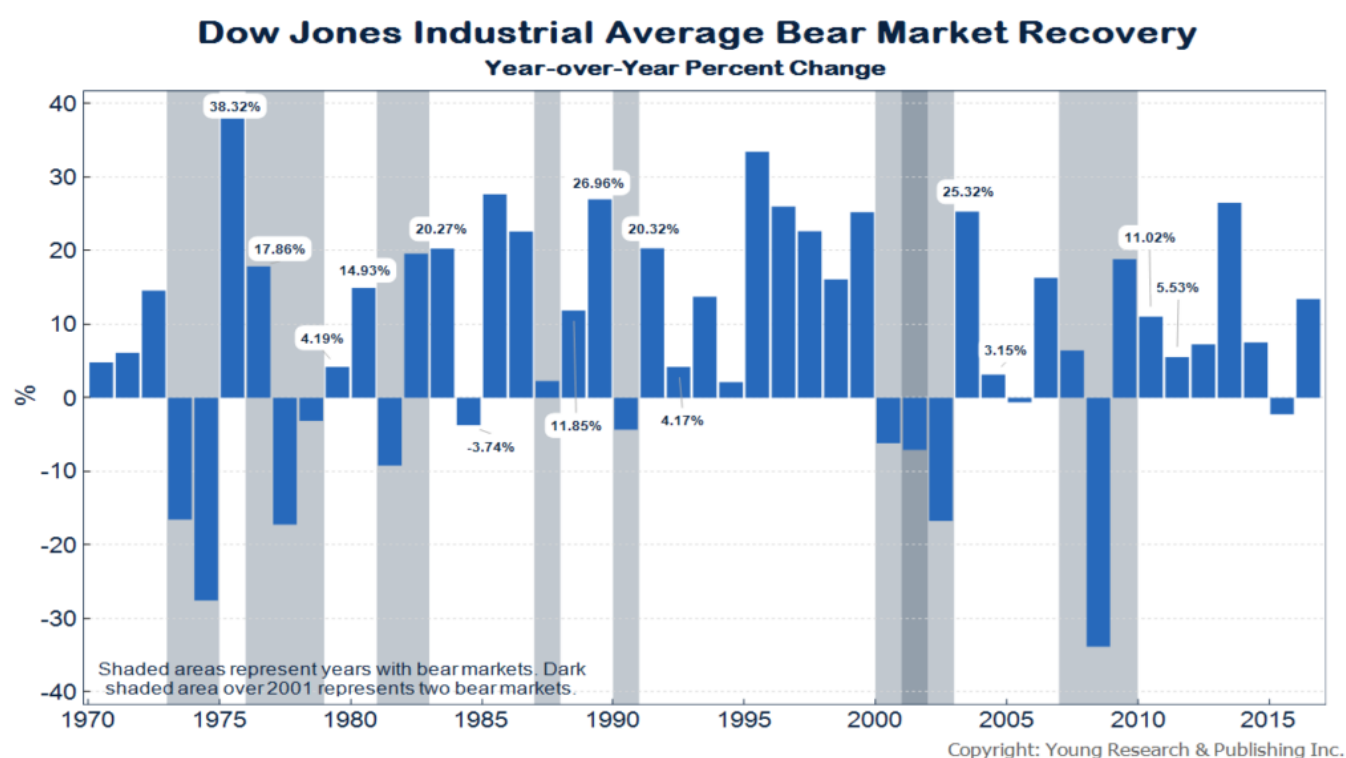
My clients, such as the venerable Boston Safe Deposit & Trust, State Street Bank & Trust, and First National Bank of Boston, built their foundation on *The Prudent Man Rule*.

*The Prudent Man Rule* directs trustees "to observe how men of prudence, discretion, and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested."

These are the conservative principles our family investment council firm practices. Our firm's focus from the beginning was, and today is, based on *The Prudent Man Rule* along with the theories of dividends and compounding pioneered by Ben Graham.

Over the decades, I've learned that most individuals do not possess the requisite patience and discipline to excel as successful long-term investors. The patience-deprived universe tends to be what I think of as needy hip-hop investors. They look for the financial markets to either bail them out of past investing indiscretions or, worse yet, to produce rewards far beyond reasonable levels of commensurate risk. Our family investment management firm does not offer the type of environment suitable for the needy or greedy.

The needy and greedy tend to possess an investor twitch that requires action—lots of action. This crowd looks to market timing, second-guessing, and what-if-ing. Most of the big moves in any investment cycle come in the year or two after the exact bottom of a cyclical bear market.



Well, market timers most often sell out late in bear cycles, and then are too afraid to get back into the market in time to catch the initial upsurge. The needy/greedy tend to miss the big gains every time.

At Richard C. Young & Co. Ltd., our goal is to remain balanced as well as fully invested. This repetitive plan, definitely counter-intuitive to many investors, ensures never missing the big moves. It also requires never participating in any meaningful way in the bubble or blow-off stage of over-priced markets that are on the precipice of cratering and wiping out a lifetime of savings along the way. No thanks. I long ago learned this bedrock principle.

Today's investment landscapes and processes have become so difficult that for most individuals going it alone, especially while preparing for a safe and secure retirement, is no longer comforting or attractive. Many of the old standby bastions of investing are no longer an option. I am referring to the vast majority of all-managed equities mutual funds and a wide swathe of the indexing ETF universe. The fund industry has simply outgrown its skin. Funds have grown too big, and their options in dividend-paying common stocks are too few, due to size constraints for massive funds. This is only common sense.

With minor exceptions, I no longer advise these out-of-phase funds. Rather, stocks of individual dividend-paying companies including smaller concerns and foreign securities, are our focus for clients. At our management company, we craft what we label [Retirement Compounders](#) portfolios.

Investing in foreign securities is not the province of the individual investor or, for that matter, most advisors. Having been directly involved in researching and trading in foreign securities since 1971, I can ensure you that process presents a sticky wicket best left to experienced hands. Markets are thin, currency valuations enter the picture, and macro events often call the tune in foreign securities investing.

I travel to Europe frequently. Decades of on-the-ground anecdotal evidence gathering and personal contacts allow me to form the direct knowledge imperative in the decision making of

investing in foreign securities. With the exception of my old stomping grounds in Boston, I am more comfortable today in Paris, by example, than any big U.S. city. More international decision-makers and event making potentates visit Paris annually than any other city in the world. On each new visit, I gather a wealth of intelligence to support my global investment strategy. This boots-on-the-ground anecdotal evidence gathering, in conjunction with my decades of daily inference reading, allows our firm to offer clients a distinct perspective on the international investing landscape.

Bond investing has also moved far outside of the scope of the individual investor. It used to be that an investor looking to collect safe and secure interest income could park his money in a Treasury Bill or a CD. Sure, he would give up some yield in return for safety and simplicity, but still collect enough to harness the power of compounding.

Today, there is nothing to compound.

T-bills are being issued at a 0.00% interest rate and CDs don't offer much more. Even longer-term Treasury bonds no longer keep pace with inflation.

Leaving bonds out of your portfolio is not an option either. Bonds help you own stocks during down markets and bonds help moderate the ups and downs of your portfolio.

Proper bond management in today's dismal interest rate environment takes a tactical and opportunistic approach. To earn decent yield, you have to take credit risk, but knowing when to dial it up, when to dial it down, which bond sectors to favor and when, and which maturities to target and when, requires ongoing research and analysis on the economy, industry, monetary policy, fiscal policy, and geopolitics. And that's the bare-bones approach.

I have been active for investors in the bond market since 1971, and I feel one of the biggest benefits our clients get when they sign on with Richard C. Young & Co., Ltd. is individual bond selection and management.

I sincerely hope you and your family benefit from many worthy insights into the myriad factors that allow conservative, retirement-thinking investors like you to find a warm and comforting home base for retirement planning and investing at Richard C. Young & Co., Ltd. My best wishes to you for success. Welcome to the family.

Warm regards,

Dick

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## The Vanguard Wellesley Way

Vanguard Wellesley is a fund we have long admired at Young Research. It was once a go-to fund for clients, readers, close friends, and even dear family members.

What gave Vanguard Wellesley Income so much appeal?

Wellesley is the more conservative and younger cousin of the Vanguard Wellington Fund—the nation's oldest balanced mutual fund.

Over its almost 51-year history, Wellesley has invested an average of 65% in bonds and 35% in stocks. The bonds are primarily intermediate-term investment-grade corporates; the stocks are dividend-paying blue-chip names.

# Wellesley's Baptism by Fire

Wellesley was started in July of 1970. Not great timing for a fund with a bond-heavy allocation. Over the first 11 years of Wellesley's life, interest rates more than doubled. Remember, when interest rates rise, bond prices fall.

How did Wellesley do during one of the worst onslaughts on record for bond investors?

It performed like a champ.

Wellesley was down only twice during that 11-year period—a loss of 3.5% and 6.4%.

Wellesley is still managed by Wellington Management, but as the fund has gained heft, its universe of opportunities has dwindled to levels we no longer find appealing.

The Vanguard Wellesley Way of investing in a mix of investment-grade corporate bonds and dividend-paying stocks remains, however a winning strategy. Wellesley's 65-35 allocation has offered consistency and relative stability for conservative investors, especially those investors in the later stages of retirement.

## Vanguard Wellesley Income this Century

The chart below highlights the performance of Vanguard Wellesley's 65-35 mix so far this century. With two of the worst bear markets on record, one of which saw the over-hyped Nasdaq composite fall by over 80% from its high, Wellesley marched higher with much shallower corrections.





# **An Open Market Alternative to Wellesley**

For clients of our investment counsel firm, we have taken what Wellesley (and Wellington) pioneered and improved upon it (in our humble opinion of course).

We focus not only on blue-chip dividend payers, but also smaller high-quality dividend payers and we especially like companies that have a record of making regular annual dividend increases. We have greatly expanded our universe of available common stocks by investing in both U.S. and international dividend payers. Foreign markets are loaded with higher-yielding names.

Long-time followers and readers of *Richard C. Young's Intelligence Report* will know this common stock strategy as Young Research's Retirement Compounders® strategy.

## **Protection from U.S. Dollar Debasement**

We have further improved on the Wellesley Way in our managed portfolios by building on my over five decades of experience following and analyzing global currency and precious metals markets.

Why? With deficits now measured in the trillions, who wouldn't want at least some protection from the ever-rising risk of U.S. dollar debasement?

## **Bond Investing: Opportunity and Flexibility**

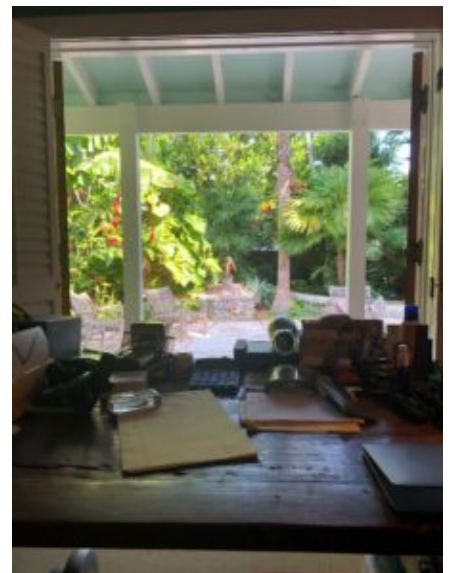
Our bond strategy is where you may find the most value. Buying individual bonds is not the province of individual investors.

Individual investors are left out of the primary market, where new issues can come to market at deep discounts to bonds already trading on the secondary market. We participate in the new issue market on behalf of our investment counsel clients.

Importantly though, we aren't so big that we are effectively forced to build bond portfolios for clients that mirror an index. We also have free reign to invest across the fixed income markets. If long-bonds look risky or don't offer enough return, we can favor short-term bonds. If low-grade bonds are being given away, we have the ability to take them. Vanguard Wellesley maintains about the same maturity and quality portfolio regardless of how the fixed income landscape evolves.

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## My Key West Garden Office



The view of the garden from my office.

Hard to believe it has been nearly 30 years since I walked away from dealing with investing clients, prospects, or the financial media. I also stopped speaking at capacity-filled investment conferences around the world from New Orleans to Switzerland to Hong Kong.

About that same time, Debbie and I bought two Harley-Davidson motorcycles along with a little pink Conch cottage in Key West, Florida. In the following decades, we racked-up 125,000 miles on the bikes with not a single mishap (or road beer) along the way.

Today, dodging road obstacles and traffic or riding through passing thunderstorms is not as attractive as it once was, so we have put the bikes away. Now that we aren't riding bikes, we have morphed into more age-appropriate travel especially to Paris and our friend's hotel/Bistro in [Beaune, Burgundy](#).

When not traveling, I read, research, and post from my garden desk in Key West (just 90 miles from Cuba) or in Newport.

If you have followed me over the many decades, you know how conservative I am. My original Ben Graham focus on dividends, interest, and compounding has not changed a lick since I started Young Research in 1978 in a small 2nd-floor office on Thames Street in Newport, Rhode Island.

Our family was raised in Newport. Matt and Beck graduated from Rogers High School in the 80s (as did Debbie in the 1960s). Today Matt is CEO of Richard C. Young & Co., Ltd., and Becky is CFO and president of Young Research.

Debbie and I still live in Newport during warmer NE months, three blocks from where Debbie grew up. Becky and E.J. ([The Survival Guy](#)) with two of our grandchildren, Isabella and Owen, live just a couple of blocks away.

Matt and Allison (Allison also grew up on Aquidneck Island) and our three Naples grandchildren, Emma, Rick, and Jack, spend

summers in the next town over.

So as you can see, we haven't gone far! There has been no need. It is for this reason that I am shocked that a quite modest family business with a small town leafy side street main office (with no sign) can for nine consecutive years make the roster of *Barron's Top 100* (Financial Advisors) (2012-2020) And even named in the top 10 of *CNBC's Financial Advisor 100* (2019 and 2020). How? It could be as simple as really trying to do what is right every time for conservative thinkers, just like us. I hope so.

[Disclosure](#)

We think of ourselves as small town, Main Street conservatives who don't believe in the welfare/warfare state. We are promoters of the [Swiss Way](#). Each member of our family is a [gun owner](#) and is properly trained in the use of firearms of all varieties. For our go-to for home protection, [our family all own](#) the [Henry Repeating Arms Survival Rifle](#).

Debbie and I feel fortunate to have been able to spend three decades in the privacy of working from home, reading, and researching in Key West and in Newport.

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## My Three-Week-Long Investing Program

In my personal portfolio, I am ramping it up over the month of April into May.

My own largest fixed income holding (individual bonds, while clearly a superior option are not ideal for me as I am on the road and out of touch at annoying times) a full-faith-and-

credit-pledge GNMA's-centric fund is ahead by 3.0%, or an annualized 12.0%. I am happy with this.

GLD, one of my gold proxies is ahead by 6.5%, or an annualized 26%.

My Swiss currency proxy (I have been investing in Switzerland since the early seventies. Click to the [Swiss Way](#)) is up 1.4% YTD. Encouraging.

All in all, I am pleased and have recently been concentrating on the energy sector where Russia, Iran and the Saudi's are getting killed and American shale assets and big energy dividend payers are a steal.

Let's see where prices are in just five years and who the proven winners will have been.

My own buying program will continue at least into the summer.

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## Richard C. Young Explains: How to Invest Like Einstein

*Originally posted October 23, 2018.*

When asked to name the greatest invention in history, Albert Einstein responded, *compound interest*.

Over three decades ago I started our family investment counsel firm focusing on the miracle of compound interest to help retired and soon to be retired investors just like you.

My short and quick goal was, as it remains today, safety of principal and a consistent flow of income through investors'

long and peaceful retirements.

In J.R.R. Tolkien's *The Hobbit*, when the wizard Gandalf asked Bilbo Baggins to take part in an adventure, the Hobbit told Gandalf that he viewed adventures as "... nasty, disturbing, uncomfortable things! Make you late for dinner."

To meet our mission for family-centric clients, we wrap the Hobbit's security blanket around Einstein's concept of compound interest. This duo forms the foundation of our prudent investor platform. And no, we do not advise investing adventures for our clients.

## **Consistent Cash Flow and Security of Principal**

To a one, when clients join us, they know that we, on their behalf, are focused on a consistent flow of cash, security of principal, and the miracle of compound interest. We neither speculate nor market time. We base our sound investments on the Prudent Man Rule, first initiated by Justice Samuel Putnam back in 1830.

The discretely managed portfolios at our investment counsel firm are crafted selecting individual securities for clients one at a time, like rare postage stamps. As you know from reading my reports, we have moved away from the mutual fund model, especially as regards index funds, products whose time has past.

We craft portfolios by combining dividend-paying blue-chip stocks, each with a long record of increasing dividends annually. Our portfolios also include a substantial mix of blue-chip fixed income, whether corporate or government securities. The majority of portfolios are weighted 60/40 (stocks/bonds) or the inverse.

Our most defensive portfolios are aimed at investors looking to

draw 4% (our base target) annually from retirement portfolios with (1) minimum volatility and (2) a high degree of comfort.

If you prefer a personalized approach, give my family-focused investment counsel firm a call (888-456-5444) to discuss today how we might make your investment life a little bit easier, and more productive for you.

At Richard C. Young & Co., Ltd. we all look forward to sharing our retirement (current or future) strategies with you.

Warm regards,

A handwritten signature in gold ink that reads "Dick". The signature is written in a cursive, flowing style.

Dick Young