

Investing In High Yield Bonds & Other Investments

By Bernard E. Scoville March 15, 2012

Please see my November 17, 2010 report

(http://www.wonderfulwebwork.com/documents/Investing_In_High_Yield_Bonds2.pdf)

for details on the following:

1. BARGAIN nature of high yield bonds:
2. DIVERSIFICATION need for diversification:
3. OUTPERFORMANCE potential of high yield bonds:
4. DEFAULT NO BIG DEAL:
5. COMPANY IMPORTANT:

A. I like doing some solvency ratios to evaluate my bonds:

5. ACTUALLY SELECTING A HIGH YIELD BOND:

6. MAINTENANCE:

7. Reference:

FOLLOWING UP:

Last time I bought REALOGY and Maxcom bonds.

I bought Maxcom (MXT) bonds at \$911.00 a bond. Maxcom (MXT) bonds now trade at \$682.50 They have not missed any interest payments (\$110 a year per bond), but each bond is down \$228.50, which is 25%. 25% down. I am holding these bonds, but I am not buying any more of them. Not because their price is down, but because they are taking on more debt. And even though sales are even or up, profits never happen.

I bought REALOGY (H, but no stock is now publicly traded) at \$847.42 a bond. REALOGY bonds now trade at \$945.00 a bond. Each bond has paid yearly interest of \$123.75 and each bond has appreciated \$97.58, which is 10%. 10% up.

I believe I would buy more of these bonds. It is not extra easy to get information, because this stock is not publicly traded. But some information is available. This company owns Coldwell Banker and several other firms. I think this company is recovering with the real estate market.

Recently I have mainly been investing in ETF's. Easier and more diversified. With a diversified ETF, you don't have to closely monitor the situation. I am too lazy and busy to work on Shadow Stocks, but I believe in them. I like small caps. In the long run they grow. My latest purchase has been VBR, the Vanguard small cap index fund.