

Income Securities

BUILDING YOUR WEALTH WITH BONDS, CONVERTIBLES, PREFERRED, & MORE **INVESTOR**

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 ALL PRICING AS OF 12/31/25
 Martin Fridson, CFA, Editor

Pick of the Month

Lloyds Banking Group plc (LBG) is a leading UK banking institution, providing a broad range of services, primarily focused on retail and commercial customers. The group's origins date to 1765 and it has grown through numerous acquisitions. It ranks among the UK's top four banking institutions, with total assets of £937.5 billion as of 09/30/25, and operates through three core business segments—Retail Banking, Commercial Banking, and Insurance, and Pensions & Investments. LBG's 6.750% Fixed Rate-Reset, Additional Tier 1 (AT1), Perpetual Subordinated Contingent Capital Securities issue is rated Baa3/BBB-. At 103.50, its yield to call is 6.03%. For details see page 3.

Income Investing for the Long Haul

The accompanying five-year return summary confirms that higher risk is rewarded with higher return, but the proposition takes time to play out.

Observing the growth of \$1.00 invested in our Model Portfolios over the period 2021-2025, we see that it increased from Low-Risk to Medium-Risk and from Medium-Risk to High-Risk. You might expect to find a similarly logical ordering, with Low-Risk showing the lowest return and High-Risk showing the highest risk in positive-return years, while Low-Risk recorded the highest return and High-Risk the lowest return in the negative-return years. But in reality, there was no year in which the three risk-level Model Portfolios

obediently lined up in that fashion. Each year, highly issuer-specific factors caused some individual securities

Don't switch strategies in response to one-year results.

to do significantly better or significantly worse than the others at their risk level, pushing the Model Portfolios "out of order."

The unwise response to such an incurrence is to change your strategy, thinking you're on the wrong

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Model Portfolio	2021	2022	2023	2024	2025	Growth of \$1
Model Portfolios*						
Low-Risk	12.52%	-15.38%	3.24%	3.66%	11.62%	\$1.14
Medium-Risk	9.53%	-8.86%	2.39%	24.39%	4.38%	\$1.33
High-Risk	15.01%	-13.15%	14.32%	12.06%	14.39%	\$1.46
Multi-Driver	14.61%	-17.42%	10.67%	7.53%	10.04%	\$1.24
Market Indexes*						
BIG Bonds	5.36%	-11.22%	13.46%	6.79%	8.50%	\$1.23
BIG Preferreds	6.24%	-18.46%	6.44%	7.24%	5.30%	\$1.04
REITs	43.08%	-24.21%	13.74%	8.95%	2.96%	\$1.38

*Total Return

The Real Reason That Credit Quality Matters

Credit ratings assigned to corporate bonds by Moody's and Standard & Poor's address (a) the probability that the issuing company will fail to make its scheduled interest and principal payments in full and on schedule—that is, that it will default on its obligations—and (b) the percentage of principal that bondholders will recover if a default occurs.

If you never buy a bond in the lowest rating tier, CCC-C, (a category in which we don't make recommendations), and sell any bond that gets downgraded to that level, it's very unlikely that you'll ever suffer a default. The accompanying table shows

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Total Return and Volatility (%) Corporate Bonds, 1-5 Year Maturities			
Monthly, 1997-2025			
Rating	Average	Volatility	Reward/Risk
AA	0.300	0.524	0.57x
A	0.310	0.726	0.43x
BBB	0.354	0.780	0.45x
BB	0.496	1.685	0.29X
B	0.539	2.248	0.24x
CCC-C	0.698	3.708	0.19x

Source: ICE Indices, LLC

Note on the Table: AAA bonds are omitted on grounds of a too-small sample size for statistical purposes. The 1-5 year maturity range is chosen because ICE Indices does not provide directly comparable subindexes across all ratings in the other maturity ranges.

SEE PAGE 11 for 2026 Model Portfolio Composition

Low-Risk 2025 Model Portfolio Removed Issues

Bank of Montreal (BMO) – Common Stock
Constellation Energy (CEG) – 6.125% Snr. Notes, due 01/15/34; CUSIP 210385AD2
Morgan Stanley – 6.500% Fixed Rate, \$25.00 Perp Pfd., Call Date 10/15/27 (MS-P)
Plains All American Pipe (PAA) – 5.700% Snr. Notes, due 09/15/34; CUSIP 72650RBP6
Prudential Financial, Inc. – 5.950% Fixed Rate, \$25.00 Sub. PET Notes (PRH), due 09/01/62

Low-Risk Model Portfolio Replacements for 2026 (Alphabetically)

Alphabet, Inc. 5.250% Fixed Rate Senior Bonds, due 06/15/55; CUSIP 02079KAM9
Ameriprise Financial, Inc. 5.2000% Senior Notes, due 04/15/35; CUSIP 03076CAP1
Bank of America 6.625% Fixed Rate-Reset, \$1.000 Par Pfd.; CUSIP 06055HAH6
Federal Realty Trust (FRT) – Common Stock
Morgan Stanley – 6.625% Fixed Rate, \$25.00 Perp Pfd., Call Date 10/15/29 (MS-Q)

Medium-Risk 2025 Model Portfolio Removed Issues

Ares Management Corp. 6.750% Series B, Mandatory Conv Pfd., due 10/01/27 (ARES-B)
BlackRock Multi-Sector Income Trust (BIT) – Closed-End Fund
EPR Properties (EPR) – Common Stock
Kilroy Realty LP (KRC) – 6.250% Senior Notes, due 01/15/36; CUSIP 49427RAS1
Kimbell Royalty Partners, LP (KRP) – MLP

Medium-Risk Model Portfolio Replacements for 2026 (Alphabetically)

Altria Group Inc. (MO) – Common Stock
Banco Bilbao Vizcaya (BIVASA) 7.750% Fixed Rate-Reset, Junior Sub Perp Bonds; CUSIP 05946KAS0
Dominion Energy Inc. 6.625% Fixed Rate-Reset, Junior Sub Cap Securities, due 05/15/55; CUSIP 25746UDV8
Global X U.S. Preferred ETF (PFFD) – Closed-End Fund
Parametric Equity Premium Income ETF (PAPI) – Closed-End Fund

High-Risk 2025 Model Portfolio Removed Issues

Abacus Life, Inc. 9.875% Fixed Rate \$25.00 Snr. PET Notes, due 11/15/28 (ABLLL)
BrightSpring Health Services 6.750% Mandatory Conv. Pfd. \$50.00 Par (BTSGU)
Enbridge (ENB) 8.500% Fixed Rate-Reset, Hybrid, due 01/15/84; CUSIP 29250NBT1
Midland States Bancorp – 7.750% Fixed Rate-Reset \$25.00 Perp. Pfd. (MSBIP)
Western Asset High Yield Opportunity Fund (HYI)

High-Risk Model Portfolio Replacements for 2026 (Alphabetically)

American National Group, Inc. 7.375% Fixed Rate, Series D Preferred (ANG-D)
Dime Community Banc 9.000% Fixed-to-Floating Rate, \$25.00 Subordinated PET Notes, due 07/15/34 (DCOMG)
Calamos Dynamic Convertible & Income Fund (CCD) - Closed-End Fund
Pembina Pipeline Corp. (PBA) - Common Stock
Trinity Capital Inc. (TRIN) – Common Stock

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The Real Reason That Credit Quality Matters

that the lower the rating level at which you invest, the higher the average return you can expect. Why, then, should you concern yourself at all about credit ratings (beyond perhaps avoiding the CCC-C tier) instead of simply collecting the highest possible return?

The table's Volatility column supplies the answer. Boosting your return by going down in rating entails a tradeoff. Volatility, or in technical language, *standard deviation*, measures the magnitude of price swings that bondholders encounter.

You can get a higher expected return by concentrating in BB bonds rather than BBB bonds, for example, but at the cost of incurring wider month-to-month price swings. The Reward/Risk column shows that

The lower the rating, the worse is the reward/risk ratio.

not only does your price risk increase as you move down the rating scale, but it increases at an accelerating rate. That is, the lower the rating, the worse is the reward/risk ratio.

As long as you incur no defaults, your income holds steady, no matter how wildly the value of your bond portfolio fluctuates. People vary in their tolerance for interim loss of wealth. The right amount of credit risk for your portfolio depends on how much of that sort of pain you're willing to take.

Preferred Stocks

Alpine Income Property Trust, Inc.; 8.000% Fixed Rate, Series A, Cumulative Perpetual Preferred; Par \$25.00; Annual Cash Dividend \$2.000; Current Price \$24.86; Current Indicated Yield 8.05%; Modified Duration 12.140; Call Date 11/12/30 at \$25.00; YTC 8.14%; Pay Cycle 3e; Exchange NYSE; Ratings, Moody's NR, S&P NR; CUSIP 02083X202; Symbol PINE-A (www.alpinereit.com)

Alpine Income Property Trust, Inc. (PINE) is primarily a retail REIT that owns and operates a portfolio of single-tenant, net leased properties. Lessees are predominantly high-quality and credit-rated tenants. PINE's portfolio as of 09/30/25 consisted of 128 properties in 34 states, accounting for 4.1 million square feet, providing an annualized cash base rent (ABR) of \$46.3 million. The ABR attributed to investment grade tenants was 48.0% as of quarter-end, while occupancy was an exceptional 99.0%. The portfolio's top five sectors were Sporting Goods (17%), Home Improvement (15%), Dollar Stores (12%), Casual Dining (9%), and Pharmacy (7%). PINE's leading tenants by ABR are major U.S. companies like Lowes, Dick's Sporting Goods, Walmart, Walgreens, Best Buy, Dollar General, Family Dollar, and Darden Restaurants. The weighted-average life of the portfolio's leases is 8.7 years. **The Series A, 8.000% cumulative preferred shares, may be redeemed on the initial 11/12/30 call date or any time thereafter, at par plus declared and unpaid dividends.** PINE reported 3Q 2025 adjusted funds from operations (AFFO) of \$7.13 million or \$0.46 per share, topping analysts' \$0.43 estimates. AFFO was up 7.2% from a year ago, while total revenues climbed 8.0% to \$14.56 million, matching estimates. **PINE's 8.00% preferred stock issue is suitable for medium-risk tax-deferred portfolios. Preferred dividends are taxed as ordinary income. Buy at \$26.25 or lower for a 7.62% annualized yield and a 6.81% YTC.**

Bonds

Goldman Sachs Group, Inc.; 5.536% Senior Notes, due 01/28/36; Par \$1,000; Annual Cash Interest Payment \$55.36; Current Price \$104.45; Credit Spread +80 Basis Points / 10-Year Treasury; Current Yield 4.92%; Modified Duration 6.980; YTM 4.98%; Exchange OTC; Ratings, Moody's A2, S&P BBB+; CUSIP 38141GC44; Symbol GS (www.goldmansachs.com)

Goldman Sachs Group, Inc. (GS) is a multinational financial services company with investment and corporate banking businesses. The firm offers investment and asset management services, advisory services, and prime brokerage. GS is also a major global player in both equity and bond underwriting, with a client base that includes major corporations, financial institutions, municipalities, and government entities. **The company's 5.536% senior notes are not exchange-traded securities. Rather, this issue trades on the OTC and inter-dealer markets. Notes may be bought or sold using the CUSIP number.** GS reported excellent 3Q 2025 earnings results, with net income of \$4.10 billion or \$12.25 per share, easily surpassing analysts' \$11.11 estimates. Bottom-line profit jumped 37.0% year-over-year on strong net revenue, which was up 20% to \$15.18 billion. Momentum was driven by considerably better-than-expected investment banking, fixed income trading, and wealth management results. Investment banking exceeded expectations, with fee income soaring 42.0% from a year ago to \$2.66 billion, fueled by increased merger & acquisition and initial public offering transactions. Fixed income trading rose 17.0% to \$3.47 billion, also ahead of expectations, while asset and wealth management revenues climbed 18.0% with

Morgan Stanley; 6.625% Fixed Rate, Series Q, Non-Cumulative Perpetual; Par \$25.00; Annual Cash Dividend \$1.65625; Current Price \$26.13; Current Indicated Yield 6.34%; Modified Duration 3.284; Call Date 10/15/29 at \$25.00; Yield to Call 5.30%; Pay Cycle 1m; Exchange NYSE; Ratings, Moody's Baa3, S&P BBB-; CUSIP 61762V838; Symbol MS-Q (www.morganstanley.com)

Morgan Stanley (MS) is a fully integrated financial services company, offering investment and wealth management services, investment banking and capital markets activities, and lending. The firm has one of the largest U.S. retail brokerage operations. MS operates across three principal business segments: Institutional Securities, Wealth Management, and Investment Management. The company's preferred issue is callable at par plus declared and unpaid dividends on the initial 10/15/29 redemption date, or any dividend payment date thereafter. MS reported exceptionally strong 3Q 2025 earnings results that were well ahead of expectations. Quarterly net income of \$4.61 billion surged 44.6% year-over-year, while earnings per share of \$2.80 far surpassed analysts' \$2.10 estimates. Record quarterly net revenues of \$18.22 billion jumped 18.4% from a year earlier, easily exceeding expectations of \$16.73 billion. Operating revenues were fueled by robust investment banking results, which increased a significant 44.0% on the back of both strong M&A and IPO activity. Capital markets revenue benefited from outstanding performance in equity underwriting, which grew 35.2% from a year ago, while wealth management enjoyed record net revenues of \$8.23 billion, up 14.5% year-over-year. Credit quality remains solid, while liquidity and capital measures continue to be strong. **MS's 6.625% preferred issue is suitable for low- to medium-risk taxable portfolios. Dividends are qualified and taxed at the 15%-20% rate. Buy at \$27.25 or lower for a 6.08% current yield and a 4.04% yield to call.**

a record high \$3.5 trillion in assets under management. Non-interest expenses were relatively flat on a linked quarter basis, although up 14.0% year-over-year. **GS's 5.536% senior note issue is suitable for low- to medium-risk tax-deferred portfolios. Interest is taxed as ordinary income. Buy at \$107.00 or lower for a 4.67% YTM.**

Lloyds Banking Group plc; 6.750% Fixed Rate-Reset, Additional Tier 1 (AT1), Perpetual Subordinated Contingent Capital Securities; Par \$1,000; Annual Cash Interest Payment \$67.50; Price \$103.50; Current Indicated Yield 6.52%; Modified Duration 4.689; Initial Call Date 09/27/31 at \$1,000; YTC 6.03%; Pay Cycle 3e; Exchange OTC; Ratings, Moody's Baa3, S&P BBB-; CUSIP 53944YBB8; Symbol LBG (www.lloydsbankinggroup.com)

Lloyds Banking Group plc (LBG) is a leading UK banking institution, providing a broad range of services, primarily focused on retail and commercial customers. LBG ranks among the top four banking institutions in the U.K., with total assets of £937.5 billion as of 09/30/25, and operates through three core business segments—Retail Banking, Commercial Banking and Insurance, and Pensions & Investments. Interest payments on LBG's perpetual subordinated capital securities are due and payable at the discretion of the group, assuming it is compliant with regulatory capital rules and has sufficient distributable earnings. Note, however, that a version to common equity at £0.849 per share shall occur on any date that LBG's Common Equity Tier 1 (CET1) Ratio is less than 7.00%

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CURRENT RECOMMENDATIONS

continued

Pay Cycle: denotes dividend payment months. 1: Jan., Apr., Jul., Oct.; 2: Feb., May, Aug., Nov.; 3: Mar., Jun., Sep., Dec.; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay.

Bonds (continued from page 3)

(Trigger Event). As of 09/30/25, LBG's CET1 ratio was a solid 13.8%. **If the issue is not fully redeemed on the initial 09/27/31 call date, the coupon resets at the five-year U.S. Treasury +315 basis points, resetting every five-years. LBG's capital securities trade on the OTC and inter-dealer markets using the CUSIP number.** The banking group reported solid 3Q 2025 earnings, with underlying profit of £1.29 billion meeting analysts' estimates. Underlying profit on an adjusted basis was £2.09 billion, which excludes an £800.0 million special provision, tied to an ongoing review of historical motor finance commission arrangements. The special provision amount to date was £1.95 billion as of 09/30/25, to address potential remediation costs. LBG's solid operating results were driven by strong net interest income and margin expansion, wealth management growth, and disciplined cost control. Asset quality remains very stable, despite significant motor finance provisions. **LBG's 6.750% AT1 issue is suitable for medium- to high-risk portfolios. Interest payments are taxed as ordinary income. Buy at \$106.50 or lower for a 6.34% current yield, and a 5.44% YTC.**

Public Service Electric & Gas Co.; 5.500% 1st Mortgage Bonds, due 03/01/55; Par \$1,000; Annual Cash Interest Payment \$55.00; Current Price \$99.00; Credit Spread +77 Basis Points / 30 Year Treasury; Current Yield 5.57%; Modified Duration 14.095; YTM 5.56%; Pay Cycle – Semi-Annual

3/9; Exchange OTC; Ratings, Moody's A1, S&P A; CUSIP 74456QCV6; Symbol PEG (www.pseg.com)

Public Service Electric & Gas Co. (PSE&G), a regulated electric and gas utility based in New Jersey, is the primary operating subsidiary of Public Service Enterprise Group, Inc. (PEG). PEG is also the parent company of PSEG Power and PSEG Long Island. PSE&G is New Jersey's largest provider of electric and natural gas service, serving approximately 2.4 million electric customers and 1.9 million gas customers. PEG's non-utility businesses account for less than 20% of consolidated EBITDA. The 1st mortgage bonds are senior secured securities issued by the New Jersey utility, and rank as the most senior debt in the utility's capital structure. **The notes are not exchange-listed securities but may be bought or sold using the issue's CUSIP number.** PEG reported strong 3Q 2025 earnings results, with adjusted net income of \$565.0 million, or \$1.13 per share, exceeding analysts' \$1.02 estimates. Net income was up a sharp 26.1% year-over-year, while operating revenues of \$3.23 billion jumped 22.1%, easily surpassing consensus estimates of \$2.80 billion. Top- and bottom-line results were driven by new utility rates and higher power prices. Additionally, strong results from PSEG Nuclear helped contribute to higher operating earnings. **PSEG's 1st mortgage bonds are suitable for low-risk tax-deferred portfolios. Interest is taxed as ordinary income. Buy at 104.00 or lower for a 5.26% YTM.**

Closed End Funds

JPMorgan Income ETF; Current Price \$46.29; Current Annualized Yield 5.69%; Exchange NYSE; Premium to Net Asset Value NM; Pay Cycle Mb; Expense Ratio 0.39%; Leverage Ratio 0.00%; CUSIP 46641Q159; Family Closed-End Fund; Symbol JPIE (www.jpmorgan.com)

JPMorgan Income ETF (JPIE) primarily seeks to deliver an attractive monthly dividend, with a secondary objective of capital appreciation. The ETF invests in a broad variety of debt securities, with the potential to produce attractive risk-adjusted income. The fund's investment strategy allows for allocation shifts based on market conditions. JPIE's benchmark is the Bloomberg U.S. Aggregate Index (Index), the primary benchmark for tracking the investment grade U.S. taxable bond market. The Index includes Treasuries, corporate bonds, residential mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), and asset-backed securities (ABS). As of 10/31/25,

JPIE's portfolio was largely composed of Agency MBS (34.5%), CMBS (12.6%), ABS (11.0%), and High Yield Corporate Bonds (10.7%). Credit quality was dominated by AAA securities (53.6%) largely due to MBS, CMBS and ABS investments. Over 70% of the portfolio was rated investment grade. High yield corporate securities accounted for 10.7% of the portfolio. The fund's top ten holdings included MBS issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corp. (Freddie Mac). For the YTD period ended 09/30/25, JPIE reported a market price total return of +5.65% compared with the Index return of +6.14%. For the trailing-12-month period, however, the fund posted a market price total return of 5.98%, versus a 2.88% return for the Index. **JPIE is suitable for low- to medium-risk tax-deferred portfolios. Monthly dividends are largely taxed as ordinary income. Buy at \$56.00 or lower for a 4.71% annualized yield.**

Common Stocks

Healthcare Realty Trust, Inc.; Current Price \$16.95; Current Annualized Yield 5.66%; Last Dividend Paid 11/21/25; Exchange NYSE; Ratings, Moody's Baa2, S&P BBB; Pay Cycle 3m; CUSIP 42225P501; Family Common Stock; Symbol HR (www.healthcarerealty.com)

Healthcare Realty Trust, Inc. (HR), based in Nashville, Tennessee is a triple-net healthcare REIT that owns and operates outpatient medical facilities throughout the United States. HR manages a highly regarded medical real estate portfolio, affiliated with leading healthcare systems. Most of the company's properties are on the campus of or adjacent to major healthcare systems, cancer treatment centers, imaging facilities, and physician groups. The company is one of the nation's largest healthcare REITs. As of 09/30/25, the portfolio had 579 properties across 28 states, with multi-tenant properties accounting for 84%. Top geographic

locations as a percent of the portfolio were Dallas (9.8%), Seattle (7.0%), Charlotte (5.6%), Houston (5.0%), Denver (4.8%), and Los Angeles (4.1%). HR's mid-triple 'B' senior debt ratings reflect strong operating performance and steady credit metrics. The company reported solid 3Q 2025 operating results, with adjusted funds from operations (AFFO) of \$145.3 million or \$0.41 per share, topping analysts' estimates by a penny. Results were driven by increased occupancy, positive leasing spreads, and higher revenue, slightly exceeding expectations. Same-store cash net operating income rose 5.4% year-over-year. Significant asset sales helped to pay down debt and improve HR's financial flexibility. The company also lowered its common dividend by 23% in mid-2025. Funds available

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Exch	Issuer	Coupon Rate %	Maturity	CUSIP	Current Price	Current Yield %	Yield to Maturity %	Moody's Rating	S&P Rating	Call Date	Call Price	Yield to Worst %	Duration	Recommend
BONDS														
NYSE	Agree Realty Corp	5.600	6/15/2035	008513AF0	105.02	5.33	4.95	Baa1	BBB+	3/15/2035	100.000	4.89	7.32	BUY
TRACE	Alphabet Inc	5.250	5/15/2055	02079KAM9	96.23	5.46	5.52	Aa2	AA+	11/15/2054	100.000	5.49	14.50	BUY
NYSE	Altria Group Inc	5.250	8/6/2035	022095BV4	101.45	5.17	5.07	A3	BBB+	5/6/2035	100.000	5.03	7.34	BUY
NYSE	Ameriprise Financial Inc	5.200	4/15/2035	03076CAP1	102.42	5.08	4.89	A3	A-	1/15/2035	100.000	4.86	7.25	BUY
NYSE	Banco Bilbao Vizcaya Argent	7.750	Perpetual	05946KAS0	107.39	7.22	6.75	Ba1	NR	1/14/2032	100.000	6.29	4.77	BUY
NYSE	Banco Santander SA	6.350	3/14/2034	05964HBD6	107.98	5.88	5.16	Baa2	BBB+	Non-Callable	Non-Callable	5.12	6.32	BUY
TRACE	Bank of Nova Scotia/The	8.000	1/27/2084	0641598V1	107.45	7.45	7.26	Baa3	BBB-	1/27/2029	100.000	5.43	2.70	BUY
NYSE	Cigna Group/The	5.250	1/15/2036	125523CZ1	101.94	5.15	5.02	Baa1	A-	10/15/2035	100.000	4.97	7.63	BUY
NYSE	Connecticut Light and Power	4.950	1/15/2030	207597ET8	102.66	4.82	4.24	A2	A	12/15/2029	100.000	4.17	3.56	BUY
TRACE	Dominion Energy Inc	6.625	5/15/2055	25746UDV8	103.23	6.42	6.14	Baa3	BBB-	2/15/2035	100.000	6.17	6.76	BUY
NYSE	DTE Electric Co	5.200	3/1/2034	23338YAV8	103.47	5.03	4.70	Aa3	A	12/1/2033	100.000	4.65	6.52	BUY
TRACE	Enbridge Inc	8.500	1/15/2084	29250NBT1	114.82	7.40	6.40	Ba1	BBB-	10/15/2033	100.000	6.10	5.63	BUY
TRACE	Goldman Sachs Group Inc	5.536	1/28/2036	38141GC44	103.94	5.33	5.01	A2	BBB+	1/28/2035	100.000	4.94	6.96	BUY
NYSE	Kilroy Realty Corp	6.250	1/15/2036	49427RAS1	103.66	6.03	5.78	Baa3	BBB-	10/15/2035	100.000	5.74	7.24	BUY
TRACE	Lloyds Banking Group PLC	6.750	Perpetual	53944YBB8	103.47	6.52	6.62	Baa3	BBB-	9/27/2031	100.000	6.03	4.75	BUY
NYSE	Public Service Electric & Ga	5.500	3/1/2055	74456QCV6	98.65	5.58	5.61	A1	A	9/1/2054	100.000	5.57	14.08	BUY
TRACE	Sempra	6.400	10/1/2054	816851BT5	101.81	6.29	6.25	Baa3	BBB-	7/1/2034	100.000	6.14	6.40	BUY
\$1,000 PAR PREFERRED SHARES														
TRACE	Bank of America Corp	6.625	Perpetual	060555HAH6	104.32	6.35	6.35	Baa2	BBB-	5/1/2030	100.000	6.35	3.72	BUY
TRACE	Citigroup Inc	7.625	Perpetual	172967PE5	104.92	7.27	7.27	Ba1	BB+	11/15/2028	100.000	7.27	2.55	BUY
TRACE	Goldman Sachs Group Inc	7.500	Perpetual	38141GA79	105.95	7.08	7.08	Ba1	BB+	5/10/2029	100.000	7.08	2.93	BUY
TRACE	Lincoln National Corp	9.250	Perpetual	534187BR9	107.33	8.62	8.62	Ba1	BBB-	12/1/2027	100.000	8.62	1.91	BUY
TRACE	State Street Corp	6.700	Perpetual	857477CH4	104.08	6.44	6.44	Baa1	BBB	3/15/2029	100.000	6.44	2.87	BUY
TRACE	Wells Fargo & Co	6.850	Perpetual	95002YAC7	104.74	6.54	6.54	Baa2	BB+	9/15/2029	100.000	6.54	3.26	BUY
MASTER LIMITED PARTNERSHIPS														
Symbol	Exch	Issuer	Current Price \$	Dvd Yield %	Tax	52 Wk High\$	52 Wk Low \$	Pay Date	Pay Periods	Curr Ann Yield %	Fair Value \$	Recommend		
ARLP	NASDAQ	GS Alliance Resource Partners LP	23.25	10.33	K-1	30.56	22.20	2/12/2026	2m	11.19	28.00	BUY		
BIP	NYSE	Brookfield Infrastructure Part	34.76	4.95	K-1	36.58	25.72	3/31/2026	3e	4.95	46.50	BUY		
CQP	NYSE	Cheniere Energy Partners LP	53.74	6.21	Var	68.42	49.53	2/17/2026	2m	6.15	70.00	BUY		
EPD	NYSE	Enterprise Products Partners LP	32.06	6.80	Var	34.53	27.77	2/13/2026	2m	6.74	30.00	BUY		
GLP	NYSE	Global Partners LP/MA	42.65	7.22	K-1	60.00	39.70	2/12/2026	2m	7.14	37.50	BUY		
HESM	NYSE	Hess Midstream LP	34.51	8.75	Var	44.14	31.63	2/13/2026	3m	8.41	42.00	BUY		
IEP	NASDAQ	GS Icahn Enterprises LP	7.56	26.49	K-1	10.74	7.08	4/15/2026	3m	26.49	75.00	HOLD		
KRP	NYSE	Kimbell Royalty Partners LP	11.76	11.90	15-20%	16.59	10.98	3/12/2026	2e	13.61	18.50	BUY		
MPLX	NYSE	MPLX LP	53.40	8.07	K-1	56.26	44.60	2/17/2026	2m	7.39	55.00	BUY		
NRP	NYSE	Natural Resource Partners LP	105.90	2.87	Var	111.70	86.83	3/6/2026	2m	4.03	60.00	BUY		
PAA	NASDAQ	GS Plains All American Pipeline LP	17.95	8.46	Var	21.00	15.58	2/13/2026	2m	8.46	15.00	BUY		
SGU	NYSE	Star Group LP	11.85	6.25	15-20%	13.75	11.11	2/4/2026	3m	6.14	11.00	BUY		
SUN	NYSE	Sunoco LP	52.41	7.02	Var	59.88	47.98	2/20/2026	2m	6.89	70.00	BUY		
USAC	NYSE	USA Compression Partners LP	22.99	9.13	K-1	30.10	21.59	2/6/2026	2b	9.13	30.00	BUY		
VNOM	NASDAQ	GS Viper Energy Inc	38.64	6.01	1099-DIV	52.10	34.71	3/11/2026	2e	6.03	35.00	BUY		
WES	NYSE	Western Midstream Partners LP	39.49	9.22	K-1	43.33	33.60	2/13/2026	2m	9.13	32.00	BUY		
XIFR	NYSE	XPLR Infrastructure LP	10.02	N/A	1099	19.28	7.53	NA	2m	9.18	N/M	SELL		

1. Fair Value \$: accumulate at or below this price. N/A: not applicable. *Ratings watchlisting: + Positive, - Negative, or (no sign) Direction uncertain.

PREFERRED

previously recommended

Symbol	Issuer	Coupon	Div. \$	Tax	Pay Cycle	CUSIP	Current Price \$	Current Yield %	Moody's/S&P Ratings	Call Date	Call Price \$	Yield to Call %	Maturity	Fair Val \$	Duration	Recommend
ALLJ	Allstate Corp/The	7.375	1.84	15-20%	1m	020002788	26.34	7.00	Baa2/BBB-	7/15/2028	25	5.05	Perpetual	28.50	13.53	BUY
PINE A	Alpine Income Property Trust I	8.000	2.00	OI	3e	02083X202	24.95	8.02	NA/NA	11/12/2030	25	8.15	Perpetual	26.25	12.08	BUY
ANG D	American National Group Inc	7.375	1.84	15-20%	1m	025676859	25.14	7.33	NA/BB+	1/15/2030	25	7.29	Perpetual	26.75	12.83	BUY
ATH E	Athene Holding Ltd	7.750	1.94	15-20%	3e	046861507	25.77	7.52	Baa3/BBB	12/30/2027	25	6.29	Perpetual	27.30	1.84	BUY
BK K	Bank of New York Mellon Corp	6.150	1.54	15-20%	3m	064058845	25.65	5.99	Baa1/BBB	3/20/2030	25	5.51	Perpetual	26.50	3.70	BUY
DCOMG	Dime Community Bancshares Inc	9.000	2.25	OI	1m	25432X300	26.18	8.59	NA/NA	7/15/2029	25	7.39	7/15/2034	27.25	3.03	BUY
GAINI	Gladstone Investment Corp	7.875	1.97	OI	2b	376546867	25.74	7.65	NA/NA	2/1/2027	25	6.69	2/1/2030	26.25	3.36	BUY
JXN A	Jackson Financial Inc	8.000	2.00	15-20%	3e	46817M206	26.09	7.67	Ba2/BB+	3/30/2028	25	5.97	Perpetual	28.25	2.05	BUY
LNCD	Lincoln National Corp	9.000	2.25	15-20%	3b	534187885	26.84	8.38	Ba1/BBB-	12/1/2027	25	5.38	Perpetual	28.75	11.41	BUY
MTB J	M&T Bank Corp	7.500	1.88	15-20%	3m	55261F864	26.70	7.02	Baa3/BB+	6/15/2029	25	5.63	Perpetual	27.75	13.74	BUY
MBINM	Merchants Bancorp/IN	8.250	2.06	15-20%	1b	58844R884	25.44	8.11	Ba3/NA	10/1/2027	25	7.33	Perpetual	27.50	1.62	BUY
MEAN	MFA Financial Inc	8.875	2.22	OI	2m	55272X706	25.30	8.77	NA/NA	2/15/2026	25	11.37	2/15/2029	26.25	2.61	BUY
MFAO	MFA Financial Inc	9.000	2.25	OI	2m	55272X805	25.46	8.84	NA/NA	8/15/2026	25	8.20	8/15/2029	26.25	2.97	BUY
MSQ	Morgan Stanley	6.625	1.66	15-20%	1m	61762V838	26.18	6.33	Baa3/BBB-	10/15/2029	25	5.23	Perpetual	27.25	15.01	BUY
NEE U	NextEra Energy Inc	6.500	1.63	OI	3b	65339K837	25.40	6.40	Baa2/BBB	6/1/2030	25	6.31	6/1/2085	26.75	14.82	BUY
PRH	Prudential Financial Inc	5.950	1.49	OI	3b	744320870	24.93	5.97	Baa1/BBB+	9/1/2027	25	7.05	9/1/2062	27.75	14.42	BUY
RWTO	Redwood Trust Inc	9.000	2.25	OI	3b	758075873	24.99	9.00	NA/NA	9/1/2026	25	10.22	9/1/2029	25.75	2.99	BUY
RF F	Regions Financial Corp	6.950	1.74	15-20%	3m	7591EP860	25.47	6.82	Baa3/BB+	9/15/2029	25	6.55	Perpetual	26.00	3.24	BUY
SOJF	Southern Co/The	6.500	1.63	OI	3m	842587867	25.46	6.38	Baa2/BBB	3/15/2030	25	6.15	3/15/2085	26.90	14.92	BUY
SYF B	Synchrony Financial	8.250	2.06	15-20%	2m	87165B400	26.30	7.84	NA/BB-	5/15/2029	25	6.88	Perpetual	26.50	2.91	BUY
TRINZ	Trinity Capital Inc	7.875	1.97	OI	3e	896442605	25.24	7.80	NA/NA	3/30/2026	25	4.74	3/30/2029	26.25	2.79	BUY
UMBFO	UMB Financial Corp	7.750	1.94	15-20%	1m	902788405	27.00	7.18	Baa3/NA	7/15/2030	25	5.67	Perpetual	28.00	3.84	BUY
VLYPN	Valley National Bancorp	8.250	2.06	15-20%	3e	919794404	26.20	7.87	NA/BB-	9/30/2029	25	6.85	Perpetual	26.75	3.22	BUY
WBS F	Webster Financial Corp	5.250	1.31	15-20%	3m	947890505	19.28	6.81	Ba1/BB	Current Call	25	408.20	Perpetual	22.00	14.10	BUY

1. Tax: OI=Ordinary Income Rate, 15%=15% tax rate. 2. Pay Cycle: denotes dividend payment months. 1: Jan, Apr, Jul, Oct; 2: Feb, May, Aug, Nov; 3: Mar, Jun, Sep, Dec; M: monthly; b: beginning of month; ms: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay. 3. Fair Value: accumulate at or below this price. NR: not rated. NA: not applicable. *Ratings watchlisting: + Positive, - Negative, or (no sign) Direction uncertain.

Symbol	Issuer	Issue %	Div. \$	Tax	CUSIP	Current Price \$	Current Yield %	Moody's/S&P Ratings	Conversion Rate	Premium Percent %	Common Price \$	Fair Value \$	Duration	Recommend
ARES B	Ares Management Corp	6.750	3.38	15-20%	03990B309	50.46	6.69	NA/BBB-	0.278	11.93	164.86	72.00	0.29	BUY
HPCE C	Hewlett Packard Enterprise Co	7.625	3.81	15-20%	42824C208	66.52	5.73	NA/NA	2.535	9.16	23.99	77.00	0.20	BUY
KKR D	KKR & Co Inc	6.250	3.13	15-20%	48251W500	51.84	6.03	NA/BBB+	0.331	22.48	128.76	68.00	0.42	BUY
PCGX	PG&E Corp	6.000	3.00	15-20%	69331C306	41.00	7.32	NA/NA	1.947	30.79	16.27	50.00	0.43	BUY
QXO B	QXO Inc	5.500	2.75	15-20%	82846H504	55.49	4.96	NA/NA	2.474	16.03	19.68	68.50	0.33	BUY

MANDATORY CONVERTIBLE PREFERRED

Symbol	Issuer	Issue %	Div. \$	Tax	CUSIP	Current Price \$	Current Yield %	Moody's/S&P Ratings	Conversion Rate	Premium Percent %	Common Price \$	Fair Value \$	Duration	Recommend
AAATRL	AMG Capital Trust II	5.150	2.58	OI	00170F209	73.50	3.50	NA/BBB-	0.258	NA	288.10	58.50	0.00	BUY
BAC L	Bank of America Corp	7.250	72.50	15-20%	060505682	1252.00	5.79	Baa2/BBB-	20.000	12.35	55.52	1350.00	2.71	BUY
FLG U	New York Comm Capital Trust	6.000	3.00	OI	64944P307	40.05	7.49	B2/NR	2.495	29.74	12.44	46.00	3.61	SELL
WFC L	Wells Fargo & Co	7.500	75.00	15-20%	949746804	1212.00	6.19	Baa2/BB+	6.381	103.91	93.83	1250.00	8.72	BUY

1. Tax: OI=Ordinary Income Rate, 15%=15% tax rate. z: zero-coupon bonds. *Ratings watchlisting: + Positive, - Negative, or (no sign) Direction uncertain.

Symbol	Exch	Issuer	CUSIP	Current Price \$	Indicated Yield %	Tax	52 Week High \$	52 Week Low \$	Paydate	Current Ann Yield %	Country	Fair Value \$	Recommend
COMMON STOCKS													
MO	New York	Altria Group Inc	02209S103	57.69	7.35	15-20%	68.60	50.08	4/30/2026	7.21	US	85.00	BUY
EBF	New York	Ennis Inc	293389102	18.02	5.55	15-20%	22.01	16.30	5/5/2026	5.55	US	25.00	BUY
EPR	New York	EPR Properties	26884U109	49.90	7.09	OI	61.24	41.75	2/13/2026	7.05	US	60.00	BUY
FRT	New York	Federal Realty Investment Trust	313745101	100.82	4.47	OI	111.82	80.65	4/15/2026	4.39	US	110.00	BUY
HR	New York	Healthcare Realty Trust Inc	42226K105	16.96	5.66	OI	18.97	14.09	3/23/2026	6.49	US	22.00	BUY
NHI	New York	National Health Investors Inc	63633D104	76.38	4.83	OI	80.56	65.13	5/6/2026	4.77	US	88.00	BUY
NTST	New York	NETSTREIT Corp	64119V303	17.64	4.88	OI	19.64	13.42	3/27/2026	4.82	US	23.50	BUY
NRG	New York	NRG Energy Inc	629377508	159.34	1.11	15-20%	180.54	79.57	2/17/2026	1.11	US	48.00	HOLD
PBA	New York	Pembina Pipeline Corp	706327103	38.08	5.43	15-20%	42.40	34.13	3/31/2026	5.34	CA	50.00	BUY
PFE	New York	Pfizer Inc	717081103	24.91	6.91	15-20%	27.69	20.92	6/12/2026	6.91	US	38.00	BUY
PM	New York	Philip Morris International Inc	718172109	160.44	3.67	15-20%	186.69	116.12	4/8/2026	3.52	US	205.00	BUY
PNW	New York	Pinnacle West Capital Corp	723484101	88.72	4.10	OI	96.50	81.47	6/1/2026	4.05	US	83.00	BUY
REG	NASDAQ	Regency Centers Corp	758849103	69.05	4.37	OI	78.18	63.44	4/2/2026	4.16	US	78.5	BUY
RHP	New York	Ryman Hospitality Properties I	78377T107	94.62	5.07	OI	108.42	76.27	4/15/2026	4.91	US	135.00	BUY
TTE	New York	TotalEnergies SE	FR0000120271	65.41	6.06	15-20%	67.13	52.90	7/2/2026	5.84	FR	82.00	BUY
TRIN	NASDAQ	Trinity Capital Inc	896442308	14.64	13.86	OI	16.82	12.50	4/30/2026	13.92	US	20.00	BUY
VZ	New York	Verizon Communications Inc	92343V104	40.76	6.78	15-20%	47.36	37.59	5/1/2026	6.68	US	53.00	BUY
WELL	New York	Welltower Inc	95040Q104	185.53	1.59	15-20%	209.05	123.11	3/5/2026	1.52	US	100.00	HOLD
WHR	New York	Whirlpool Corp	963320106	72.16	4.99	15-20%	135.49	65.35	3/15/2026	7.35	US	130.00	BUY

CLOSED-END FUNDS

Symbol	Issuer	Current Price \$	Indicated Yield %	Net Asset Value \$	Premium Discount %	52 Week High \$	52 Week High Date	52 Week Low \$	52 Week Low Date	Pay Cycle	Fair Value \$	Recommend
BIT	BlackRock Multi-Sector Income	13.11	11.37	13.91	-6.11	15.12	8/14/2025	12.50	4/7/2025	Me	20.50	BUY
CCD	Calamos Dynamic Convertible &	20.87	11.18	20.49	1.81	24.89	2/10/2025	18.12	4/7/2025	Me	26.00	BUY
FDHY	Fidelity Enhanced High Yield ETF	49.33	7.35	49.15	0.37	49.71	9/24/2025	45.41	4/9/2025	1b	60.00	BUY
UCON	First Trust Smith Unconstrained	25.18	5.24	25.10	0.27	25.63	12/4/2025	24.38	4/11/2025	Me	29.00	BUY
QYLD	Global X Nasdaq 100 Covered Call	17.68	10.48	17.67	0.00	18.89	2/21/2025	14.48	4/7/2025	Me	22.50	BUY
PFFD	Global X US Preferred ETF	18.93	6.34	18.95	-0.21	20.15	1/27/2025	17.81	4/7/2025	Mb	27.00	BUY
GPIX	Goldman Sachs S&P 500 Core Premium	52.81	8.48	52.76	0.07	53.50	10/29/2025	40.01	4/7/2025	Mb	65.00	BUY
GPIQ	GS Nasdaq - 100 Core Premium Inc	52.87	10.52	52.82	0.09	54.63	10/29/2025	38.13	4/7/2025	Mb	65.00	BUY
HFSI	Hartford Strategic Income ETF	35.47	9.68	35.43	0.14	36.03	10/28/2025	33.15	4/11/2025	Mb	43.50	BUY
IHYF	Invesco High Yield Bond Factor	22.66	7.04	22.62	0.16	23.01	9/18/2025	21.19	4/7/2025	Me	28.00	BUY
QUTA	iShares Aaa - A Rated Corporate	48.09	4.39	48.09	-0.01	49.02	10/28/2025	45.81	4/11/2025	Mb	55.00	BUY
JEPI	JPMorgan Equity Premium Income ETF	57.22	8.95	57.20	0.08	59.73	2/20/2025	49.94	4/7/2025	Mb	70.00	BUY
JPIE	JPMorgan Income ETF	46.30	5.55	46.07	0.47	46.57	8/29/2025	45.01	4/11/2025	Mb	56.00	BUY
JEPQ	JPMorgan Nasdaq Equity Premium	58.12	11.89	58.07	0.08	59.43	12/26/2025	44.31	4/7/2025	1b	75.00	BUY
PAPI	Parametric Equity Premium Income	25.85	8.30	25.82	-0.12	27.24	2/20/2025	23.32	4/9/2025	Mb	33.00	BUY
ISD	PGIM High Yield Bond Fund Inc	14.52	8.68	13.94	3.80	14.73	11/28/2025	11.82	4/7/2025	Mb	17.50	BUY
HYHG	ProShares High Yield-Interest	64.42	6.83	64.32	0.12	66.96	2/20/2025	59.66	4/7/2025	Mb	77.50	BUY
IGHG	ProShares Investment Grade	78.63	4.91	78.38	0.06	79.56	12/16/2025	73.91	4/9/2025	Mb	86.50	BUY
XLU	Utilities Select Sector SPDR	42.70	2.97	42.69	0.01	46.89	10/16/2025	35.51	4/9/2025	3e	90.00	BUY
WDI	Western Asset Diversified Income	13.81	12.90	14.59	-5.35	15.28	2/18/2025	12.45	4/7/2025	Mb	20.00	BUY
HYI	Western Asset High Yield	11.16	10.22	11.83	-5.66	12.22	2/18/2025	10.87	11/20/2025	Mb	14.75	BUY
WEA	Western Asset Premier Bond Fund	11.05	7.62	11.49	-4.00	11.44	9/16/2025	10.16	4/11/2025	Mb	13.00	BUY

1. Tax: OI=Ordinary Income Rate, 15%=15% tax rate. 2. Recommend: accumulate at or below this price. NR: not rated. NA: not applicable. 3. Pay Cycle: denotes dividend payment months. 1: Jan., Apr., Jul., Oct.; 2: Feb., May, Aug., Nov.; 3: Mar., Jun., Sep., Dec.; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay.

RATING CHANGES AND NEW ISSUANCE

Corporate Bond Rating Changes

Issuer	Agency	New Action	Rating
AIA Group Ltd	S	+	AA-
Alice International Sarl	S	-	CCC
American Transmission Systems Inc	S	+	A
ArcelorMittal SA	M	+	Baa2
Artera Services LLC	S	-	CCC+
Asahi Group Holdings Ltd	M	-	Baa1 *-
Barracuda Networks Inc	S	-	CCC+
Bloomin' Brands Inc	S	-	B+
Bumble Inc	S	+	B+
Burgess Point Purchaser Corp	S	-	CCC+
Buzz Finco LLC	S	+	B+
Cast & Crew LLC	S	-	CCC+
Chinos Intermediate 2 LLC	S	-	CCC+
City Brewing Co LLC	S	+	CCC+
City of Budapest Hungary	M	-	Ba1 *-
Cleveland Electric Illuminating Co/The	S	+	BBB+
Cleveland-Cliffs Inc	S	-	B+
Crescent Energy Co	S	+	BB-
Eyecare Partners LLC	S	-	CCC-
FirstEnergy Corp	S	+	BBB+
Fortna Group Inc	S	-	CCC-
Gap Inc/The	S	+	BB+
Gates Industrial Corp PLC	S	+	BB
GE Vernova Inc	S	+	BBB
Government of Jamaica/The	M	+	Ba3
Hancock Whitney Bank	M	+	Baa2
Harbour Energy PLC	S	-	BBB- *-
Howard Hughes Holdings Inc	S	+	B*+
HUGO BOSS AG	S	-	BBB-
Jamaica Government Bond	M	+	Ba3
Janus Henderson Group PLC	M	-	Baa2 *-
Jersey Central Power & Light Co	S	+	BBB+
Lancashire Insurance Co UK Ltd	S	+	A
Laurentian Bank of Canada	S	-	BBB *-
Learning Care Group US Inc	S	-	B-
Lorca Telecom Bidco SA	S	+	BB+*+

Issuer	Agency	New Action	Rating
Lumexa Imaging Equity Holdco LLC	S	+	B+
Matthews International Corp	S	-	B
Mid-Atlantic Interstate Transmission LLC	S	+	A
Mondi PLC	S	-	BBB
Moody's Corp	S	+	A-
National Storage REIT	M	-	Baa2 *-
National Western Life Insurance Co	S	-	A- *-
Ohio Edison Co	S	+	A-
Petroleos del Peru SA	S	-	B- *-
Piraeus Financial Holdings SA	S	+	BB+
Precision Drilling Corp	S	+	BB-
Prime Healthcare Services Inc	S	+	B
Prudential PLC	S	+	A+
Raizen SA	S	-	BBB-
Renault SA	S	+	BBB-
Rinchem Co LLC	S	-	CCC
Seaspan Corp	S	+	BB
Shanghai Electric Group Co Ltd	M	+	Baa1
Sharp Corp/Japan	S	+	B- *+
Siemens Energy AG	M	+	Baa1
SK hynix Inc	M	+	Baa1
Stakeholder Midstream LLC	S	+	B+*+
Teva Pharmaceutical Industries Ltd	S	+	BB+
Toshiba Corp	S	+	BB-
Trane Technologies Co LLC	S	+	A-
Trans-Allegheny Interstate Line Co	S	+	A
Transcontinental Inc	S	-	BBB- *-
Universal Entertainment Corp	S	-	B-
Uzbekneftegaz JSC	S	+	BB-
Velocity Vehicle Group LLC	S	-	B-
Vital Energy Inc	S	+	BB-
Weekley Homes LLC	S	-	BB-
Whirlpool Corp	S	-	BB
Zinc-Polymer Parent Holdings LLC	S	-	CCC+

+ : upgrade; - : downgrade; *- : possible downgrade; *+ : possible upgrade
M: Moody's S: Standard & Poor's F: Fitch Ratings

Preferred Rating Changes

Issuer	Agency	Action	Rating
Banco BPM SpA	Moody's	+	Ba2
Highland Opportunities and Inc Fund	Moody's	-	A3
Jackson Financial Inc	Moody's	+	Ba2
Kimco Realty Corp	Moody's	+	Baa1

WL-D = Watchlist - Down WL-U = Watchlist - Up

New Preferreds

Issuer	Symbol	Issue (%)	Moody/S&P Ratings	Par Value
Bread Financial Holdings Inc	BFH	8.625	Ba2/BB-	25
Brookfield Corp	BNCN	VAR	NR/A-	25
Power Corp of Canada	POWCN	5.65	NR/A+	25
Prospect Capital Corp	PSEC	7.5	Ba1/BB+	25

cv = convertible

2025 MODEL PORTFOLIOS

For Investors Seeking Steady Monthly Income

Low-Risk Portfolio

This portfolio consists of securities of companies with senior ratings of BBB- or better. It will be the lowest yielding, but also the most secure. Capital appreciation is not a goal. Principal protection is primary.

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
ALL J	Pref	020002788	Allstate Corp	7.375%	Perp	7.00	26.34	372	Jan-26	\$28.50
BMO	Common	063671101	Bank of Montreal			3.75	129.82	102	Jan-25	\$110.00
CEG	Bond	210385AD2	Constellation Energy LLC	6.125%	1/15/2034	4.81	108.65	10	Jan-24	\$110.75
DTE	Bond	23338VAV8	DTE Electric Co.	5.200%	3/1/2034	4.68	103.47	10	Jan-26	\$108.00
HFSI	CEF	41653L875	Hartford Strategic Inc ETF			9.70	35.47	288	Jan-26	\$43.50
MS P	Pref	61762V853	Morgan Stanley	6.500%	Perp	6.36	25.54	382	Oct-22	\$27.75
PAA	Bond	72650RBP6	Plains All America Pipe	5.700%	9/15/2034	5.21	103.35	10	Jan-25	\$107.00
IGHG	CEF	74347B607	ProShares IG Hedged			4.93	78.63	126	Jan-26	\$86.50
PRH	Pref	744320870	Prudential Financial Inc	5.950%	Perp	5.97	24.93	393	Jan-25	\$27.75
STT	\$1000 Pref	857477CH4	State Street Corp	6.700%	Perp	6.16	104.08	10	Jan-26	\$108.00

Summary Statistics

Monthly Payout Average	\$580
Current yield on portfolio	5.42%
Inception Value (1/1/25)	\$100,013
Last month's value	\$111,175
Current value of portfolio	\$104,672
Current value + year to date income	\$111,632
Year to Date Total Return	11.62%

Medium-Risk Portfolio

Some of the securities are rated below BBB. Capital appreciation is not a goal in this portfolio, but rather high current income. Safety of principal and yield are given equal weight.

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
ARES B	Conv Pref	03990B309	Ares Management Corp	6.750%	10/1/2027	6.69	50.46	184	Dec-24	\$72.00
ATH E	Pref	04686J507	Athene Holding Ltd	7.750%	Perp	7.52	25.77	390	Jan-26	\$27.30
BNS	Bond	0641598V1	Bank of Nova Scotia	8.000%	1/27/2084	7.25	107.446	9	Jan-26	\$112.50
BIT	CEF	09258A107	BlackRock Multi-Sector Inc			11.37	13.11	704	Apr-22	\$20.50
EPR	Common	26884U109	EPR Properties			7.09	49.9	231	Feb-24	\$60.00
GS	\$1000 Pref	38141GA38	Goldman Sachs Group Inc	7.500%	Perp	6.60	106.31	9	Jan-26	\$112.50
IHYF	CEF	46090A853	Invesco High Yield Factor ETF			6.88	22.66	455	Jan-26	\$28.00
KRC	Bond	49427RAS1	Kilroy Realty LP	6.250%	1/15/2036	5.76	103.66	10	Jan-25	\$106.50
KRP	MLP	49435R102	Kimbell Royalty Partners LP			11.90	11.76	631	Jun-25	\$18.50
WFC	\$1000 Pref	95002YAA1	Wells Fargo & Company	7.625%	Perp	6.91	106.87	9	Jan-26	\$110.50

Summary Statistics

Monthly Payout Average	\$612
Current yield on portfolio	7.12%
Inception Value (1/1/25)	\$100,007
Last month's value	\$104,763
Current value of portfolio	\$97,045
Current value + year to date income	\$104,389
Year to Date Total Return	4.38%

2025 MODEL PORTFOLIOS

For Investors Seeking Income and Growth

High-Risk Portfolio

These securities are all below investment grade, and some are not rated. High current income is the primary goal, but capital appreciation can also be expected. Safety of principal is secondary to yield.

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
ABLLL	Pref	00258Y203	Abacus Life Inc	9.875%	11/15/2028	9.61	25.68	290	Jan-25	\$34.50
BTSGU	Conv Pref	10950A205	BrightSpring Health Svcs	6.750%	2/1/2027	2.66	126.87	158	Jan-25	\$78.00
ENBCN	Bond	29250NBT1	Enbridge	8.500%	1/15/2084	6.40	114.82	9	Jan-25	\$116.00
HESM	MLP	428103105	Hess Midstream LP - Cl A			8.75	34.51	270	Jan-26	\$42.00
MBINM	Pref	58844R884	Merchnts Bancorp	8.250%	Perp	8.11	25.44	385	Jan-26	\$27.50
MSBIP	Pref	597742303	Midland States Bancorp	7.750%	Perp	7.70	25.15	390	Jan-23	\$27.25
ISD	CEF	69346H100	PGIM HY Bond Fund			8.71	14.52	732	Jan-26	\$17.50
HYHG	CEF	74348A541	ProShares High Yield Int			6.82	64.42	152	Jan-26	\$77.50
SUN	MLP	86765K109	Sunoco LP			7.02	52.41	194	Jan-26	\$70.00
HYI	CEF	95768B107	Western Asset High Yld Fund			10.22	11.16	855	Jan-25	\$14.75

Summary Statistics

Monthly Payout Average	\$626
Current yield on portfolio	6.61%
Inception Value (1/1/25)	\$100,003
Last month's value	\$113,324
Current value of portfolio	\$106,877
Current value + year to date income	\$114,389
Year to Date Total Return	14.39%

Multi-Driver Portfolio

The Multiple Driver Portfolio includes diverse income-generating sources (drivers).

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
SANTAN	Bond	05964HBD6	Banco Santander	6.350%	3/14/2034	5.14	107.98	10	Nov-25	\$111.00
C	\$1000 Pref	172967PE5	Citigroup Inc	7.625%	Perp	6.73	104.92	10	Jan-26	\$111.50
FDHY	CEF	316092618	Fidelity High Yield Factor			7.35	49.33	202	Jan-26	\$60.00
JXN A	Pref	46817M206	Jackson Financial Inc	8.000%	Perp	7.67	26.09	369	Jan-26	\$28.25
JEPI	CEF	46641Q332	JPMorgan Euity Prem Inc Fd			8.95	57.22	170	Sep-24	\$70.00
LNC D	Pref	534187885	Lincoln National Corp	9.000%	Perp	8.38	26.84	355	Jan-26	\$28.75
MEAN	Pref	55272X706	MFA Financial	8.875%	2/15/2029	8.77	25.3	388	Oct-24	\$26.25
PTEN	Bond	703481AD3	Patterson-UTI Energy Inc	7.150%	10/1/2033	5.98	107.16	10	Jan-25	\$112.00
SRE	Bond	816851BS7	Sempra Energy	6.875%		6.38	103.00	10	Nov-24	\$107.50
TTE	Common	89151E109	TotalEnergies SE			6.06	65.42	179	Sep-24	\$82.00

Summary Statistics

Monthly Payout Average	\$614
Current yield on portfolio	6.61%
Inception Value (1/1/25)	\$100,013
Last month's value	\$109,610
Current value of portfolio	\$102,680
Current value + year to date income	\$110,051
Year to Date Total Return	10.04%

REVISED MODEL PORTFOLIOS FOR 2026

Here are the updated Model Portfolios for 2026. We will begin reporting returns for these portfolios in next month's newsletter. The returns shown on page 9 are full-year results for the 2025 portfolios.

IMPORTANT: Removal of a security from an updated Model Portfolio does NOT mean that it has been downgraded to a Sell. It may just have reached its Fair Value price. The yield on your original cost may remain attractive. Consult your tax advisor before making a sale that may generate a capital gains liability.

For Investors Seeking Steady Monthly Income

Low-Risk Portfolio

This portfolio consists of securities of companies with senior ratings of BBB- or better. It will be the lowest yielding, but also the most secure. Capital appreciation is not a goal. Principal protection is primary.

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
ALL J	Pfd	020002788	Allstate Corp/The	7.375%	Perpetual	7.00	26.34	371	Dec-23	\$28.50
GOOGL	Bond	02079KAM9	Alphabet Inc	5.250%	5/15/2055	5.48	96.669	10	Jul-25	\$106.00
AMP	Bond	03076CAP1	Ameriprise Financial Inc	5.200%	4/15/2035	4.85	102.61	10	Jan-26	\$105.50
BAC	\$1000 Pfd	06055HAH6	Bank of America Corp	6.625%	Perpetual	6.16	104.36	10	Dec-25	\$108.25
DTE	Bond	23338VAV8	DTE Electric Co	5.200%	3/1/2034	4.68	103.47	10	Aug-24	\$108.00
FRT	Common	313745101	Federal Realty Investment Trust			4.47	101.07	97	Aug-25	\$110.00
HFSI	CEF	41653L875	Hartford Strategic Income ETF			9.68	35.56	275	Jul-23	\$43.50
MS Q	Pfd	61762V838	Morgan Stanley	6.625%	Perpetual	6.32	26.19	374	Jan-26	\$27.25
IGHG	CEF	74347B607	ProShares IG-Interest Rate Hedged			4.91	78.65	124	Jan-23	\$86.50
STT	\$1000 Pfd	857477CH4	State Street Corp	6.700%	Perpetual	6.16	104.08	10	Jan-26	\$108.00

Summary Statistics

Monthly Payout Average	\$497
Current yield on portfolio	5.96%
Inception Value (1/1/26)	\$100,021
Last month's value	\$100,021
Current value of portfolio	\$100,021
Current value + year to date income	\$100,021

Year to Date Total Return

-

Medium-Risk Portfolio

Some of the securities are rated below BBB. Capital appreciation is not a goal in this portfolio, but rather high current income. Safety of principal and yield are given equal weight.

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
MO	Common	02209S103	Altria Group Inc			7.35	57.66	177	Nov-25	\$85.00
ATH E	Pfd	04686J507	Athene Holding Ltd	7.750%	Perpetual	7.52	25.77	397	Feb-23	\$27.30
BBVASM	Bond	05946KAS0	Banco Bilbao Vizcaya Argent	7.750%	Perpetual	6.71	107.348	9	Oct-25	\$110.00
BNS	Bond	0641598V1	Bank of Nova Scotia/The	8.000%	1/27/2084	7.25	107.45	9	Jun-24	\$112.50
DTE	Bond	25746UDV8	Dominion Energy Inc	6.625%	5/15/2055	6.11	103.187	10	Jan-26	\$107.50
PFFD	CEF	37954Y657	Global X US Preferred ETF			6.34	18.94	542	Apr-21	\$27.00
GS	\$1000 Pfd	38141GA38	Goldman Sachs Group Inc	7.500%	Perpetual	6.60	106.31	9	Dec-23	\$112.50
IHYF	CEF	46090A853	Invesco High Yield Bond Factor			6.88	22.65	452	Oct-24	\$28.00
PAPI	CEF	61774R866	Parametric Equity Premium Inc			8.28	25.93	395	Dec-25	\$33.00
WFC	\$1000 Pfd	95002YAA1	Wells Fargo & Co	7.625%	Perpetual	6.91	106.87	9	Jan-26	\$110.50

Summary Statistics

Monthly Payout Average	\$583
Current yield on portfolio	7.00%
Inception Value (1/1/26)	\$100,019
Last month's value	\$100,019
Current value of portfolio	\$100,019
Current value + year to date income	\$100,019

Year to Date Total Return

-

REVISED MODEL PORTFOLIOS FOR 2026

For Investors Seeking Income and Growth

High-Risk Portfolio

These securities are all below investment grade, and some are not rated. High current income is the primary goal, but capital appreciation can also be expected. Safety of principal is secondary to yield.

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
ANG D	Pfd	025676859	American National Group Inc	7.375%	Perpetual	7.33	25.15	398	Nov-25	\$26.75
CCD	CEF	12811V105	Calamos Dynamic Convertible FD			11.16	20.97	477	Oct-22	\$26.00
DCOMG	Pfd	25432X300	Dime Community Bancshares Inc	9.000%	7/15/2034	8.61	26.14	383	Jun-25	\$27.25
HESM	MLP	428104103	Hess Midstream Operations LP			8.81	34.27	292	Nov-23	\$42.00
MBINM	Pfd	58844R884	Merchants Bancorp/IN	8.250%	Perpetual	8.11	25.44	393	Nov-23	\$27.50
PBA	Common	706327103	Pembina Pipeline Corp			5.43	37.99	263	Jun-22	\$50.00
ISD	CEF	69346H100	PGIM High Yield Bond Fund Inc			8.66	14.55	687	Jan-26	\$17.50
HYHG	CEF	74348A541	ProShares HY-Interest Rate Hedged			6.83	64.36	155	Apr-23	\$77.50
SUN	MLP	869239103	Sunoco LP			7.05	52.20	192	Dec-21	\$70.00
TRIN	Common	896442308	Trinity Capital Inc			13.86	14.72	679	Feb-25	\$20.00

Summary Statistics

Monthly Payout Average	\$715
Current yield on portfolio	8.58%
Inception Value (1/1/26)	\$100,009
Last month's value	\$100,009
Current value of portfolio	\$100,009
Current value + year to date income	\$100,009

Year to Date Total Return

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Multi-Driver Portfolio

The Multiple Driver Portfolio includes diverse income-generating sources (drivers).

Symbol	Asset Type	CUSIP	Issuer	Coupon	Maturity	Yield	Price	Qty	Rpt Date	Fair Value
SANTAN	Bond	05964HBH7	Banco Santander SA	8.000%	Perpetual	7.23	110.61	9	Dec-25	\$114.50
C	\$1000 Pfd	172967PE5	Citigroup Inc	7.625%	Perpetual	6.73	104.92	10	Nov-23	\$111.50
FDHY	CEF	316092618	Fidelity Enhanced High Yield ETF			7.34	49.34	202	Jan-25	\$60.00
GPIX	CEF	38149W622	Goldman Sachs S&P 500 Prem Inc ETF			8.50	52.98	188	Feb-25	\$65.00
HPE C	MandPerf	42824C208	Hewlett Packard Enterprise Co	7.625%	9/1/2027	5.74	66.4	150	Jan-25	\$77.00
JXN A	Pfd	46817M206	Jackson Financial Inc	8.000%	Perpetual	7.67	26.09	381	Aug-23	\$28.25
KKR D	MandPerf	48251W500	KKR & Co Inc	6.250%	3/1/2028	6.01	51.98	191	Aug-25	\$68.00
LNC D	Pfd	534187885	Lincoln National Corp	9.000%	Perpetual	8.38	26.84	370	Dec-22	\$28.75
NHI	Common	63633D104	National Health Investors Inc			4.83	76.25	130	May-25	\$88.00
NEE U	Pfd	65339K837	NextEra Energy Capital Holdings Inc	6.500%	6/1/2085	6.38	25.46	391	Nov-25	\$26.75

Summary Statistics

Monthly Payout Average	\$574
Current yield on portfolio	6.88%
Inception Value (1/1/26)	\$100,001
Last month's value	\$100,001
Current value of portfolio	\$100,001
Current value + year to date income	\$100,001

Year to Date Total Return

-

CORPORATE UPDATES

continued from page 2

Pay Cycle: denotes dividend payment months. 1: Jan., Apr., Jul., Oct.; 2: Feb., May, Aug., Nov.; 3: Mar., Jun., Sep., Dec.; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay.

Multi-Driver 2025 Model Portfolio Removed Issues

Banco Santander (SANTAN) 6.350% Subordinated Capital Securities, due 03/14/34; CUSIP 05964HBD6

JPMorgan Equity Premium Income ETF (JEPI) – Closed-End Fund

MFA Financial, Inc. 8.875% Senior PET Notes, due 02/15/29 (MFAN)

Patterson-UTI Energy (PTEN) – 7.150% Senior Notes, due 10/01/33; CUSIP 703481AD3

Sempra Energy (SRE) – 6.875% Fixed Rate-Reset Junior Sub Capital Securities, due 10/01/54; CUSIP 816851BS7

TotalEnergies SE (TTE) – Common Stock ADR

Multi-Driver Model Portfolio Replacements for 2026 (Alphabetically)

Banco Santander (SANTAN) 8.000% Fixed Rate-Reset, Junior Sub Perp Bonds; CUSIP 05964HBH7

Goldman Sachs S&P Core Premium ETF (GPIX) – Closed-End Fund

Hewlett Packard Enterprise 7.625% Series C, Mandatory Conv Pfd., due 09/01/27 (HPE-C)

KKR & Co., Inc. 6.250% Series D, Mandatory Convertible Preferred, due 03/01/28 (KKR-D)

National Health Investors, Inc. (NHI) – Common Stock

NextEra Energy Cap 6.500% Fixed Rate, Series U, \$25.00 Sub PET Bonds, due 06/01/85 (NEE-U)

CURRENT RECOMMENDATIONS

continued from page 4

Pay Cycle: denotes dividend payment months. 1: Jan., Apr., Jul., Oct.; 2: Feb., May, Aug., Nov.; 3: Mar., Jun., Sep., Dec.; M: monthly; b: beginning of month; m: middle of month; e: end of month; two numbers, e.g., 5/11: semiannual pay.

Common Stocks (continued from page 4)

for distribution at 09/30/25 were \$116.9 million, up 9.3% from a year earlier, covering the quarterly common dividend and partnership distributions by 1.37x. **HR's common shares are suitable for medium-risk tax-deferred portfolios. Dividends are taxed as ordinary income. Buy at \$22.00 or lower for a 4.36% annualized yield.**

NRG Energy, Inc. (REVIEW); Current Price \$159.24; Current Annualized Yield 1.10%; Last Dividend Paid 11/17/25; Exchange NYSE; Ratings, Moody's Ba2, S&P BB; Pay Cycle 2m; CUSIP 629377508; Family Common Stock; Symbol NRG (www.nrg.com)

NRG Energy, Inc. (NRG) is an integrated energy company that supplies electric power and related services to more than 8 million retail, industrial, and commercial customers across North America. NRG produces electricity using natural gas, oil, nuclear power, and renewables. The company's risk profile is underpinned by its large and diversified power and energy operations, as well as its position as a leading retail energy supplier. NRG's strategic focus has been expanding its retail

customer base and acquiring generation assets to meet increasing demand. **We initially recommended the company's common shares in November 2023 for medium-risk taxable portfolios. Dividends are qualified and taxed at the 15%-20% rate.** NRG's common shares have surged in 2025, up approximately 73% through 12/15/25. Share momentum has benefited from an active acquisition strategy that has been accretive, as well as a more aggressive share repurchase program. Dividend growth has been moderate, averaging 8%-9% over the last several years. NRG reported strong 3Q 2025 adjusted net income of \$537.0 million or \$2.78 per share, beating analysts' \$2.26 estimates by almost 22%. Bottom-line results climbed 23.7% year-over-year, largely due to strong operational execution, supply cost management, higher retail margins, and accelerating demand from data centers. Total revenues of \$7.64 billion exceeded expectations by approximately 7.0% and were down slightly from a year earlier. **With NRG's common shares substantially higher than our initial fair market value of \$48.00, and now yielding 1.10% on an annualized basis, we are changing our recommendation to Hold from Buy for medium-risk taxable portfolios.**

Mandatory Convertible Preferred Stocks

QXO, Inc.; 5.500% Series B. Mandatory Convertible, Cumulative Preferred, due 04/19/28; Par \$50.00; Annual Cash Dividend \$2.75; Current Price \$55.15; Current Indicated Yield 4.99%; Modified Duration 2.290; Conversion/Maturity Date 04/19/28; Yield to Call NA; Pay Cycle 2m; Exchange NYSE; Ratings, Moody's NR, S&P NR; CUSIP 82846H504; Symbol QXO-B (www.qxo.com)

QXO, Inc. (QXO) is a building products distribution company that went public in late 2023. It is America's largest publicly traded distributor of roofing, waterproofing, and complementary building materials. QXO's strategic focus is to become a tech-enabled leader in its industry by consolidating fragmented markets through organic growth and acquisitions. The company distributes products of major building supply companies such as Owens Corning, GAF, CertainTeed, Tri-Built, James Hardie, and more. QXO's 5.500% convertible issue is not rated, but the company's senior credit ratings are Ba3/BB-. QXO has a prudent, albeit somewhat aggressive financial policy, with a focus on deleveraging. Preferred securities are mandatorily convertible on 04/19/28 into

a variable number of common shares, based on the common price for 20 consecutive trading days immediately prior to the conversion date. **The conversion rate is 2.4737 common shares per preferred share, if the common price is equal to or greater than \$20.2126, and 3.0303 shares if the market price is equal to or less than \$16.50. For common prices between those values, the settlement rate is \$50.00 divided by the market value. Preferred shares may be converted any time at the holder's option into 2.4737 common shares.** Financial results for 3Q 2025 were mixed, as QXO continues to ramp up hiring and digital infrastructure investments, following its \$11 billion acquisition of Beacon Roofing Supply in April 2025. Year-over-year quarterly results are not comparable. The company reported adjusted net income of \$166.2 million or \$0.14 per share, topping analysts' \$0.12 estimates. Revenue of \$2.73 billion was slightly above expectations. **QXO's convertible preferred issue is suitable for medium- to high-risk taxable portfolios. Dividends are taxed at the 15%-20% rate. Buy at \$68.50 or lower for a 4.01% annualized yield.**

INTEREST RATES

Comparative Current Yields

Security Type	Yield 12/31/25	Net Change Month (bp)	Net Change Y.T.D.	Spread 12/31/24	Spread 12/31/25
U.S. TREASURIES & EURO BENCHMARKS					
Ten Year	4.17	+15	-8.8%	-	-
Inflation Indexed	1.90	+14	-14.7%	-234	-227
Ten Year Euro(1)	2.85	+17	20.7%	-221	-132
Euro Spot Rate	1.1746	+1.5	-13.4%	-	-
CORPORATE BONDS²					
AAA	4.70	+12	-4.5%	+35	+53
AA	4.59	+9	-8.4%	+43	+42
A	4.69	+6	-10.1%	+65	+52
BBB	5.04	+6	-9.1%	+97	+87
BB	5.44	+1	-13.1%	+169	+127
B	6.71	+4	-8.6%	+276	+254
CCC	12.49	-3	6.0%	+721	+832
PREFERRED STOCKS³					
AA & A	5.83	+13	7.3%	+86	+166
BBB	5.70	+4	-10.1%	+177	+153
BB	6.40	-2	-7.2%	+232	+223
B	9.57	+28	5.0%	+454	+540
QUALIFIED DIVIDEND INCOME (QDI) PFDS⁴ — Yields —					
Investment Grade	5.78	-1	-5.5%	134%	139%
Below Inv. Grade	7.03	+9	4.9%	146%	169%
MUNICIPAL BONDS⁵ — Yields —					
AA	3.39	+4	5.2%	71%	81%
A	3.71	+6	5.1%	77%	89%
BBB	4.24	+7	9.6%	85%	102%

¹Rate for ten-year German government bonds.

²Per ICE BofA Index System

³Per ICE BofA Index System

⁴Eligible for 15% tax rate. Yields shown as after tax % of US Treasuries rate.

⁵Per Bloomberg. Yields shown at % of US Treasuries rate.

EXPLANATION OF INTEREST RATE TABLE

The monthly table displays **Current Yields** for ten-year maturities of various debt instruments compared to the benchmark ten-year Treasuries. Note that preferred stocks often have no maturity or are callable in less than ten years.

The **Net Change** for the month- and year-to-date shows the change in basis points (100 basis points equals 1% in yield). A change in the U.S. Treasury rate is considered a change in the risk-free interest rate. The changes for the other securities reflect this same change plus whatever other risks investors perceive at the time.

The change in **Spreads** represents the difference between risk-free ten-year U.S. Treasuries and each security. A widening of spreads means an increased concern about credit quality. A sudden widening of spreads is considered a flight to quality. Spreads identify which securities are out of line with historical relationships and represent buying opportunities.

Since **Municipal Bonds** are tax exempt, their **yields** should be looked at in terms of their percentage of Treasury yields. Thus, if a muni yields 87% of Treasuries, it means it should be considered by anyone whose incremental tax rate is higher than the reciprocal of that number, or 13%. Hence, the higher the yield percentage, the lower your incremental tax rate needs to be, to make munis attractive or to look at them another way, more of their income is retained after taxes.

Income Investing for the Long Haul

(continued from page 1)

track. You're better off simply collecting your income, which is generally unaffected by the short-term market perturbations. With patience, you'll most likely wind up in the right place in terms of total return, which incorporates price change, income, and income on reinvested income.

That desirable result is premised on diversifying by asset class. Note that our Model Portfolios generally performed well, relative to the Market Indexes, over the five-year span. REITs did outpace three of the four Model Portfolios over the half-decade period, but it was a rough ride that included the worst one-year index return, in 2022.

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