Are Royalties Best For You As An Investor? ©

Arthur Lipper

Yes, if you believe relatively low-level risk investments which generate increasing amounts of income are desirable.

Yes, if you are prepared to hold investments for as long as 5 years during which time the capital invested is returned, leaving several times as many years for royalty issuer growth of revenues and royalty payments.

Yes, if you have a diversified portfolio of royalties issued by established companies, substantially eliminating the risk of capital loss.

Yes, if you prefer not to be involved with or concerned by the royalty issuing company's pursuit of profit as long as the issuer's sustainability is not in question.

Yes, if you believe it easier to assess a future trend of revenues based on consumer acceptance of the product or services offered by the royalty issuer than predicting specific levels of per share profitability.

Yes, if you wish to value an investment based on the amount of income being generated rather than the possibility of the company being acquired or significantly increasing their per share profits.

Yes, if you would like your capital invested in the royalty to be returned without U.S. income tax liability, and accept that payments thereafter will be treated as ordinary income for U.S. tax reporting purposes.

Yes, if you are able to make constructive use of increasing quarterly distributions of royalty payments, assuming the issuer continues to increase its revenues.

No, if you enjoy the excitement of managing volatile investments and turbulent markets.

No, if you are continually seeking to invest in "home runs" and do not highly value a portfolio of reliable "single hitters".

No, if seeking, at all cost, maximized return, frequently requiring the use of margin loans. However, it is noted that royalties can be purchased using borrowed funds..

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