

# **Mission of Royalty Income Funds Is To Preserve and Protect Investor's Capital and Business Ownership<sup>©</sup>**

**Arthur Lipper**

**Financial conservatives place greater emphasis on the acceptance of risk than the benefit of reward. Conformity is preferred over divergent thinking in problem solving. In religions, military organizations and the training and practice of professionals such as physicians, attorneys and accountants that which has been successful becomes the precedent standard.**

**The above is that which makes the introduction of any new idea difficult as a record of success is sought to reduce the fiduciary's career and individual's investment risk of doing something, which has not been done previously. Of course, the conundrum is that if it has not been done before there cannot be a record of success or failure.**

**Royalty Income Funds, which are in business to preserve, enhance and protect the inventor's capital buying power, do so by investing in an agreed percentage of a royalty issuing company's revenues over an agreed period. The capital risk is lessened by the cumulative royalty payment returns negotiated and the diversification of the portfolio.**

**If the bulk of the portfolio are royalties purchased from established companies having growing revenues there would seem to be little portfolio capital risk but the originally anticipated levels of return may be somewhat disappointing. Of course, if conservatively assessed at the time of negotiation it is also highly possible the surprises will be positive.**

**Investing in newly formed royalty income funds is a new idea. Royalties are not new and have been used for many hundreds of years, but units formed to supply capital to business owners and benefit investors are a new idea.**

**Those who act now will be able to grasp royalties on favorable terms unlikely to exist once the concept is broadly understood and utilized.**

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