

9% Yield Bonds At 'Top Bargain' Price: Advisor Group

Jun. 28, 2021 8:35 AM ET | LTS, LTSF... | 51 Comments | 24 Likes

Summary

- Advisor Group is a leading private wealth management firm that is tapping into the millennial market.
- The Ladenburg Thalmann acquisition brought four baby bonds into AG's balance sheet.
- These baby bonds are very undervalued relative to similarly rated bonds as well as another AG bond.
- Recent SEC ruling will have a negligible impact on the long-term income investor.
- Looking for a portfolio of ideas like this one? Members of High Dividend Opportunities get exclusive access to our model portfolio. [Learn More »](#)



Dzmitry Skazau/iStock via Getty Images

Co-produced with "Hidden Opportunities"

Introduction

In February 2020, Advisor Group (referred to as AG) acquired Ladenburg Thalmann ([LTS](#)) to create robust platforms in the wealth management industry. AG opted to delist the four baby bonds that LTS had outstanding – LTSF, LTSH, LTSK, and LTSL. Thus they were moved to the Pink Sheets where they have continued trading ever since.

This article discusses the spectacular income opportunity presented by the baby bonds, which are currently trading at handsome discounts to their par value and are providing high yields that are well covered by the company's earnings. Further, we discuss recent rulings from the SEC that will **most likely** result in these securities being moved to the grey market. This could cause lower liquidity and wider bid/ask spreads; however, if you are a long-term investor (rather than a trader) this has no material effect on our core strategy. We continue to be very optimistic about these notes as they present some of the best and most inconspicuous high dividend opportunities in the market.

About Advisor Group

With a network of more than 11,300 financial advisors and over \$475 billion in assets under management ('AUM'), AG adopts a multi-brand network model to provide services to clients. It offers securities and investment advisory services through its affiliated broker-dealers. The following diagram shows the top firms operating within the AG network.



	FSC SECURITIES CORPORATION	Royal Alliance	SagePoint FINANCIAL	Securities America	Triad Advisors	WOODBURY FINANCIAL
Established	1958	1969	1970	1984	1998	1968
AUM	\$34.6 billion	\$138 billion	\$45 billion	\$102 billion	\$32 billion	\$60.1 billion
Financial Professionals	857	2,786	1,433	2,800	640	1,600
Retention Rate	95%	96%	94%	95%	Not Available	97%
Average Tenure	14 years	12.8 years	13 years	8 years	9 years	8 years

Source: [Created from Advisor Group Website](#)

Since the merger, LTS continues operating under its brand within AG's multi-brand network model. As the economy continues to rebound, we see AG growing its AUM and client base through a series of recent recruitments:

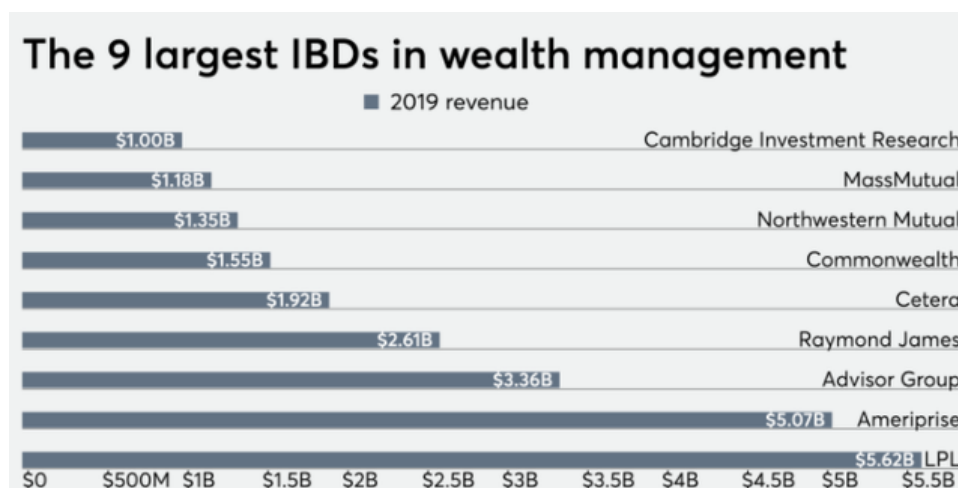
- **Granite Vista Financial, Phoenix, AZ:** \$48.3 million in client assets
- **Perfected Wealth Management, Huntington Beach, CA:** \$32.2 million in client assets
- **Bridges Wealth Management, Corvallis, OR:** \$82.6 million in client assets
- **Legacy Financial Advisors, Inc., Lynnfield, MA:** \$78 million
- **Tartarini Financial Services, Woburn, MA:** \$90 million in client assets
- **Compass Wealth Solutions, Portland, IN:** \$221 million in client assets
- **Azose Johnson & Associates, Spokane, WA:** \$168 million in client assets

AG is adopting technology to transform the digital experience and interaction model for its clients with an increasing focus on the untapped **millennial market** whose ~85 million population and spending power, which exceeds \$1.5 trillion, are vital for the growth of wealth management industry.

One example is the [MyCMO turnkey digital marketing platform](#) by AG that resulted in subscriber network partners experiencing ~50% higher YoY revenue growth than non-subscribers in 2020.

Overall, we can see that AG is growing and expanding its base in the Independent Broker-Dealer space through product/service enhancements and partnerships.

Being a private company, we have limited financial data, but AG was third among the top independent broker-dealers in the wealth management sector in 2019.



Source: [financial-planning.com](https://www.financial-planning.com)

Moody's and Fitch periodically rate AG's debt instruments. These debentures carry a Caa2/CCC rating. These credit reports give us access to a lot of valuable data about the company's financial health.

During the rating affirmation, Moody's noted AG's successful management of the challenges created by the global pandemic during 2020.

Advisor Group's seasoned management team swiftly lowered expenses, raised efficiencies, and adapted the firm's operations to a new remote work environment. In addition, Advisor Group was able to accelerate its integration of Ladenburg Thalmann, realizing a large portion of its forecasted expense synergies ahead of schedule. The firm has also exceeded its advisor retention targets, an important driver of client asset levels" - [Moody's](#)

Through the credit reports, we learn that as of June 2020,

- AG had healthy 2x coverage of interest expenses by its EBITDA. For bond investors, this is a very positive metric since contractual interests for the debentures are satisfied.
- On the downside, AG's Debt to EBITDA ratio (6.7x) is very high and a likely influencer for its Caa2 rating.
- AG's liquidity situation looks good with cash and net excess capital of around \$488 million.

Data provided to the credit agencies convey a lot about the stability of AG's business and make a strong case for investment in LTS senior notes. Not only are interest payments well-covered by EBITDA, but you will see in the next section that these securities trade at very desirable discounts today.

Baby Bonds at a Bargain

**Ladenburg Thalmann Financial Services, 7.00%
Senior Notes due 5/31/2028 (OTC:LTSF)**

**Ladenburg Thalmann Financial Services, 7.75%
Senior Notes due 6/30/2029 (OTC:LTSH)**

**Ladenburg Thalmann Financial Services, 7.25%
Senior Notes due 9/30/2028 (OTC:LTSK)**

**Ladenburg Thalmann Financial Services, 6.50%
Senior Notes due 11/30/2027 (OTC:LTSL).**

LTS's four senior notes currently trade in the pink sheets, reducing their overall visibility to individual investors. Low volume in these exchanges also deters institutional investors from showing interest in these debentures.

6/24/2021

Security	Ticker	Current Price	Par Value	Maturity Date	YTM
Ladenburg Thalmann, 7.00% Senior Notes	LTSF	\$21.78	\$25.00	31/05/2028	9.6%
Ladenburg Thalmann, 7.75% Senior Notes	LTSH	\$22.64	\$25.00	30/06/2029	9.5%
Ladenburg Thalmann, 7.25% Senior Notes	LTSK	\$21.86	\$25.00	30/09/2028	9.7%
Ladenburg Thalmann, 6.50% Senior Notes	LTSL	\$21.60	\$25.00	30/11/2027	9.4%

As seen above, all four securities trade substantially below the \$25 par value that bondholders will receive upon maturity (or in the event of an early redemption/call). While an earlier redemption would be great and give us sizable gains, it is unlikely due to the current debt load at AG.

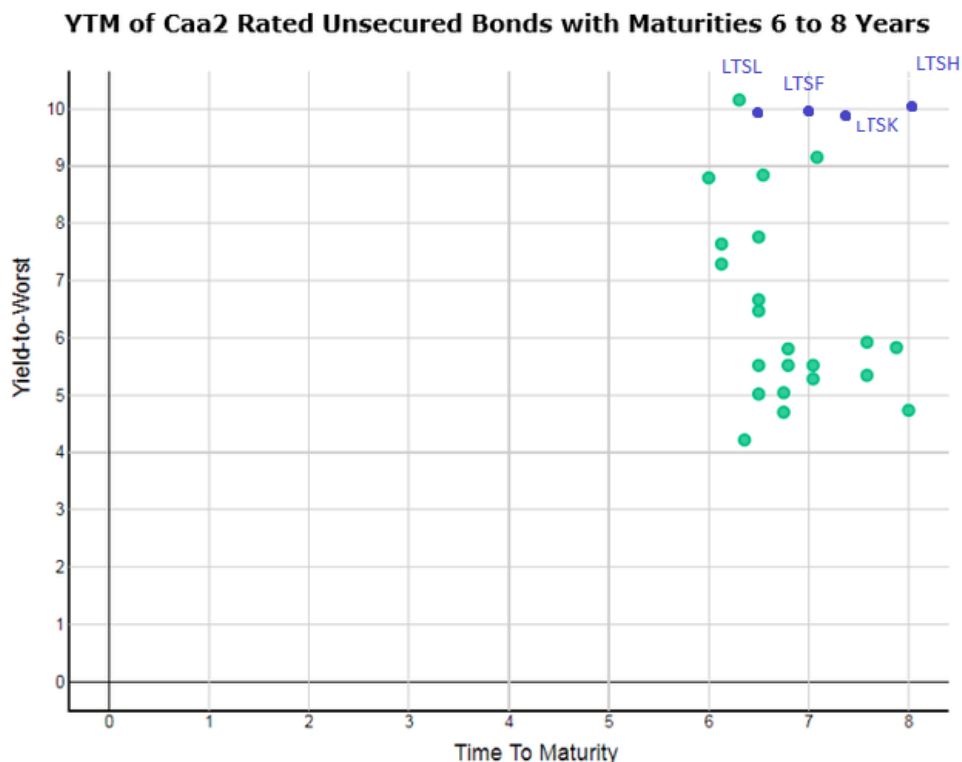
These senior unsecured notes assumed by AG rank equally in right of payment with all of AG's senior unsecured indebtedness.

There are two methods that we have used to determine that these baby bonds are highly undervalued.

1. Comparing with bonds carrying similar credit ratings and durations to maturity

The scatter plot below shows the YTM (yield to maturity) of unsecured bonds with a Caa2 rating and with maturities between 6-8 years (Same duration range as LTS baby bonds).

These Caa2 rated debentures with similar maturities to the LTS bonds have YTM in the range of 4.2% to ~10%. LTS baby bonds fall on the highest end of the scatter plot, indicating that the opportunity is largely misunderstood and mispriced by the market.



Source: Interactive Brokers

2. Comparing LTS baby bonds with another AG bond

We can be even more certain about the undervaluation by looking at another AG debenture that has a similar duration to maturity and carries an identical credit rating as the LTS baby bonds. This corporate bond (CUSIP 00791GAA5), which is traded by institutions, currently trades at an 11.4% premium to its par value and has a yield to maturity of 8.3%.

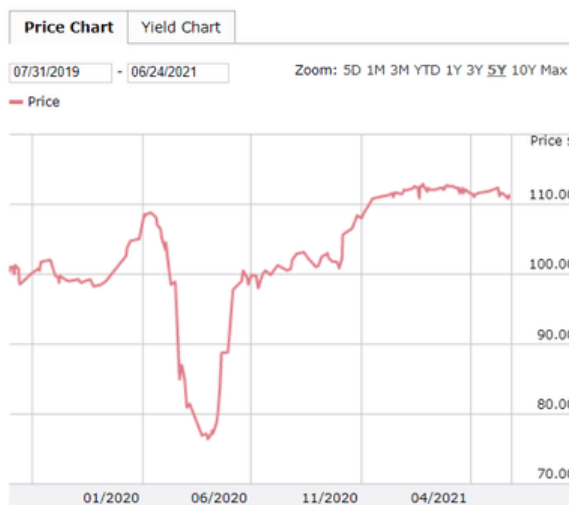
This legacy AG bond has its YTM consistent with the average YTM seen from the above scatter plot, indicating that it may be fairly valued today.

ADVISOR GROUP HLDGS INC

Coupon Rate	Maturity Date	Symbol	CUSIP	Next Call Date	Callable
10.750%	08/01/2027	ADVS4866959	00791GAA5	08/01/2022	Yes

Last Trade Price	Last Trade Yield	Last Trade Date	US Treasury Yield
\$111.38	6.971%	06/24/2021	

Price/Yield Chart



Classification Elements

Bond Type	US Corporate Debentures
Debt Type	Senior Unsecured Note
Industry Group	Financial
Industry Sub Group	Financial Services
Sub-Product Asset	CORP
Sub-Product Asset Type	Corporate Bond

Credit and Rating Elements

Moody's® Rating	Caa2 (01/14/2021)
Standard & Poor's Rating	CCC (03/30/2020)
TRACE Grade	High Yield

Yield to Maturity - 8.3%

Source: [FINRA](#)

Premium-to-par value and YTM of 8.3% for an identically rated debenture from the same company tells us that LTS baby bonds are highly undervalued.

We believe there are a few reasons why this legacy AG bond will continue to trade at a premium to LTS baby bonds:

1. There are \$350 million of legacy AG bonds outstanding compared to the combined LTS baby bond total debt of ~\$240 million. It is expected to trade with higher liquidity and larger volume than LTSF, LTSH, LTSK, and LTSL.
2. The legacy AG bond can only be traded by large institutions that most likely have access to additional financial information about AG than individual investors.

So using a conservative 9.0 to 9.3% target YTM for these baby bonds, we can see that current prices are a bargain.

6/24/2021

Security	Ticker	Current Price	Fair Value	Par Value	Maturity Date	Target YTM
Ladenburg Thalmann, 7.00% Senior Notes	LTSF	\$21.78	\$22.30	\$25.00	5/31/2028	9.1%
Ladenburg Thalmann, 7.75% Senior Notes	LTSH	\$22.64	\$22.80	\$25.00	6/30/2029	9.3%
Ladenburg Thalmann, 7.25% Senior Notes	LTSK	\$21.86	\$22.40	\$25.00	9/30/2028	9.2%
Ladenburg Thalmann, 6.50% Senior Notes	LTSL	\$21.60	\$22.00	\$25.00	11/30/2027	9.0%

Source: Author's calculations

Risk factors for bond traders

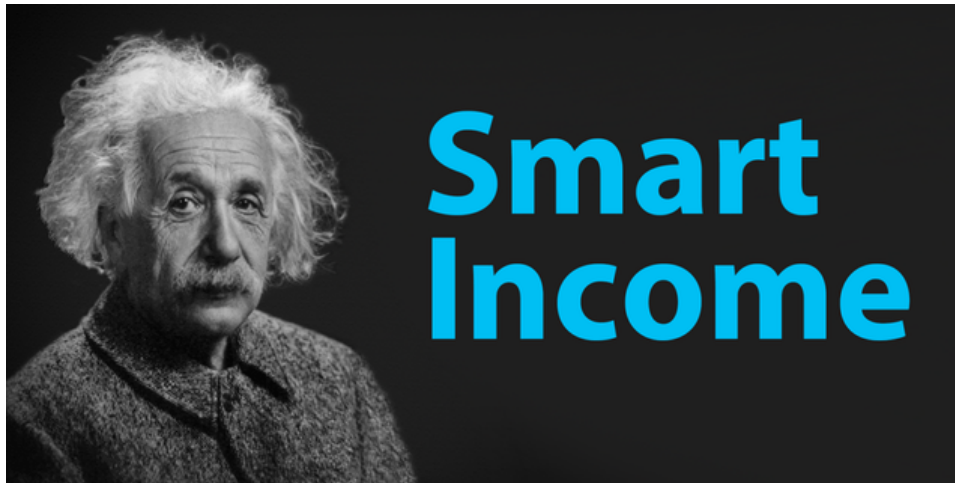
The SEC recently came out with an [amendment](#) to its Exchange Act Rule (SEC Rule 15c2-11). This ruling requires companies that trade on the OTC Market to maintain stricter disclosure standards, thereby prohibiting broker-dealers from publicly quoting securities that don't disclose current financial information.

The SEC has provided September 28 as the compliance date for companies to maintain current filings. We believe that if companies fail to provide the necessary financial information before the deadline, trading in "no information" pink sheet stocks will likely move to the "grey market" (Data Source: [OTCMarkets Blog](#) & [Benzinga](#)). This creates a possibility of difficulty in trading due to limited visibility, access, and reduced volumes, and the extent of the problem may vary based on your broker.

AG does not report financial information as a private company, and we believe they are unlikely to do so in the future. LTS baby bonds may be pushed into the grey market, which could impact trading activity.

Our favorite holding period is forever - *Warren Buffett*

While bond traders may experience larger spreads in bid/ask prices due to possibly low volumes, we believe there will be no impact from this ruling for long-term buy-and-hold investors. We see this as an opportunity, and as we approach this date, any broker decisions to alter trading of these securities could result in short-term price drops during which we can add to our holdings.



Source: Getty

Conclusion

In late 2019, Advisor Group, a rapidly growing private network of wealth management firms, acquired Ladenburg Thalmann. Following this transaction,

1. LTS baby bonds trade well below par-value on the pink sheets and are highly undervalued relative to similarly rated bonds of similar duration.
2. They have YTM's above 9.4% and 6-8 year maturity durations.
3. Not only are YTM's extremely attractive, but LTS baby bonds also have the prospect for significant price upside.
4. Their EBITDA well covers AG's interest expenses.
5. LTS baby bonds rank equally in right of payment with all of AG's senior unsecured indebtedness.

The SEC's recent amendment impacts these securities since AG does not report its financial data. But we believe this ruling does not affect our committed long-term income investment strategy. LTS baby bonds are currently among the most attractive long-term opportunities for income investors.

These baby bonds are ones to buy, set aside, and no longer worry about as you collect great income until maturity. Retirees and income investors, these types of golden opportunities are the ones you want in for your portfolios, and today, you have the ability to capitalize on them.

= = =

If you want full access to our Model Portfolio and all our current Top Picks, feel free to join us for a **2-week free trial** at High Dividend Opportunities.

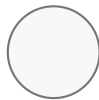
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This article was written by



Rida Morwa

78.25K Followers

Author of [High Dividend Opportunities](#)

The #1 Service for Income Investors and Retirees, 9-10% dividend yield.

Disclosure: I am/we are long LTSE, LTHS, LTKS, AND LTHL. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

Additional disclosure: Trading Softly, Beyond Saving, PendragonY, Preferred Stock Trader, and Hidden Opportunities all are supporting contributors for High Dividend Opportunities.

Any recommendation posted in this article is not indefinite. We closely monitor all of our positions. We issue Buy and Sell alerts on our recommendations, which are exclusive to our members.

Comments (51)

Sort by

Newest

**howard2374**

Today, 9:07 AM



Marketplace

Comments (858) | + Follow

Interesting article. The bonds seem to have jumped up in price since the middle of this month (June) from ~\$21.50 to ~23.00. Someone must think they are a deal. I was able to see them on TD Ameritrade. And I was able to place an order (which will be filled when the market opens).

Reply

Like

**Phil in OKC**

Today, 12:32 AM



Marketplace

Comments (2.49K) | + Follow

[@rida.morwa](#) or [@preferred.stock.trader](#) . . . is there any economic situation that would result in these bonds trading closer to PAR?

Reply

Like (1)

**rbsummers**

Today, 12:25 AM



Premium

Marketplace

Comments (1) | + Follow

Tried all 4 on Fidelity - got the same error message: you're trying to purchase a security that's currently blocked from opening transactions because of associated risks. Only sells order are allowed on this security. Fidelity doesn't allow opening buy orders on this security, with no exceptions.

Reply

Like (1)



Phil in OKC

Today, 12:33 AM



Marketplace

Comments (2.49K) | + Follow

[@rbsummers](#) I opened a Schwab account to trade all of the preferreds and baby bonds that Fidelity won't.

Reply Like (1)



Bobbie B

Today, 8:48 AM



Comments (2.12K) | + Follow

[@rbsummers](#) That is a warning!

Reply Like



theheckwithtech

Yesterday, 11:45 PM



Comments (2.47K) | + Follow

I own all of them. LTSA, LTSL, LTSH, LTSF.

When PFFA began dumping LTSA due to it moving to the pinks, I began buying all the way down. Cost basis on that one is under \$9. The bonds I own in the mid teens.

According to Schwab, trading in the LTS securities will not be restricted come September. However, if the restrictions that other firms are enacting cause another price tumble, I will be very ready to scoop up a lot more, especially LTSA, which pays a monthly qualified dividend.

Ladenburg and Advisor Group have been around a long time. These investments are no brainers. Those of you that are afraid of them simply haven't done enough research to understand them fully.

Reply Like (2)



SomeGuy14

Yesterday, 4:08 PM



Comments (2.87K) | + Follow

Wow. Have we ever got to the bottom of the barrel in search of yield.

I've got some IOUs written on napkins in an old trunk in my attic. I'll sell those at a discount too, if anybody's interested.

↪ Reply 👍 Like (5)



waldipup

Yesterday, 4:11 PM



Comments (5.59K) | + Follow

[@SomeGuy14](#) Are the IOU's signed by Lincoln?

↪ Reply 👍 Like (2)



Opt4living

Yesterday, 4:33 PM



Comments (264) | + Follow

[@SomeGuy14](#) sure, as soon as you take over 4 classes of another company's bonds.

↪ Reply 👍 Like



69th

Yesterday, 3:58 PM



Comments (12) | + Follow

Rida, Do any of the LTS baby bonds have aa earlier call ? If this was in your article, I missed it.

Thanks

↪ Reply 👍 Like



Preferred Stock Trader

Yesterday, 7:21 PM



Contributor

Premium

Marketplace

Comments (2.74K) | + Follow

@69th LTSL and LTSF can be called now. LTSK is callable in about 3 months and LTSH is callable mid 2022.

↩ Reply 👍 Like (3)



DAVER1

Yesterday, 3:52 PM



Comments (30) | + Follow

Raymond James won't let us buy them. They are restricted by the AML Dept, I think because there is no current public financial info since they are private.

↩ Reply 👍 Like



Hidden Opportunities

Yesterday, 6:21 PM



Contributor

Premium

Marketplace

Comments (277) | + Follow

@DAVER1 yes, this is connected with the SEC amendment

↩ Reply 👍 Like



mmcdonough1

Yesterday, 2:16 PM



Comments (21) | + Follow

Unsecured lending here seems like a stretch due to the lack of available information on a non-public borrower, who likely has minimal - or negative - tangible net worth like LPL Financial (the Independent BD market share leader) sports. Traditional financial advisory business models are being disrupted on several fronts, as seen in the proliferation of robo-advisors. The competitive environment results in on-going fee compression, the quest for adequate mass and scale can be illusory, and with AUM driving revenues, lending to this industry is positively correlated with capital market performance when stretched valuations (all assets) figure to limit future returns.

↪ Reply 👍 Like



soreone

Yesterday, 1:47 PM



Comments (34) | + Follow

Hmmm,held L & T for better than 30 yrs. They ahh sto\$\$ it errr ah cashed it in for me last year. My opinion but, tread lightly with anything to do with L & T as i see these pocket stuffers as no better than crooks.....Still SORE

↪ Reply 👍 Like (1)



PressTX

Yesterday, 12:24 PM



Premium

Marketplace

Comments (23) | + Follow

Vanguard is not allow to sell any of these bonds as the company is not furnishing information on them

↪ Reply 👍 Like (1)



Rida Morwa

Yesterday, 12:30 PM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply @PressTX These are currently trading "OTC" or over the counter and are not listed on an exchange. So some brokerages might limit your ability to buy them, require you to call to buy them and might charge a higher fee than they do for exchange listed investments.

↪ Reply 👍 Like



PendragonY

Yesterday, 1:19 PM



Contributor

Premium

Marketplace

Comments (63.01K) | + Follow

@Rida Morwa

ETrade for instance does charge a commission for securities on the OTC market.

↪ Reply 👍 Like



Hidden Opportunities

Yesterday, 1:26 PM



Contributor

Premium

Marketplace

Comments (277) | + Follow

@PressTX i believe this is true for Etrade and Fidelity as well, though I was told Fidelity will let you buy them over the phone.

TD Ameritrade let me buy them, no issues

↪ Reply 👍 Like (2)

[See More Replies](#)



Opt4living

Yesterday, 12:20 PM



Comments (264) | + Follow

So now they get pumped today lol
Maybe I'll put a buy order to get them at \$20.
Good article, Rida, but people are silly.

↪ Reply 👍 Like



Rida Morwa

Yesterday, 12:32 PM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply @Opt4living Add it to your watchlist. Buying a week or two after an article is often best. It gives you more time to do your own due diligence as well.

↪ Reply 👍 Like (4)



Opt4living

Yesterday, 12:43 PM



Comments (264) | + Follow

@Rida Morwa those few sentences are probably more underrated than even most of your articles.

↪ Reply 👍 Like



snosaint

Yesterday, 2:10 PM



Comments (1.75K) | + Follow

@Opt4living I have owned LTSL for quite some time with a plan to hold to maturity. I should have bought more when the price dropped...a lot more...but i was worried about what i didnt know. A couple weeks ago i put in a stink bid for 19.50 and it has been climbing ever since. I think 20 is long in the rear view mirror.

↪ Reply 👍 Like (1)

[See More Replies](#)



MnyMkr

Yesterday, 12:20 PM



Comments (18) | + Follow

Rida, any preference between the four?

↪ Reply 👍 Like



Rida Morwa

Yesterday, 1:32 PM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply @MnyMkr I would buy the one with the highest yield to maturity, which is going to vary as the prices move.

↪ Reply 👍 Like (1)



cpr1200r100

Yesterday, 11:51 AM



Comments (90) | + Follow

Interesting that none of Advisory Goups offices are in big time retirement states of Arizona and Florida.

I think i will pass.

↪ Reply 👍 Like



ESW3

Yesterday, 11:56 AM



Premium Comments (481) | + Follow

@cpr1200r100 Advisor Group's main office is in Phoenix. Ladenburg was founded in Florida.

www.prnewswire.com/...

↪ Reply 👍 Like (5)



ESW3

Yesterday, 11:48 AM



Premium

Comments (481) | + Follow

Thanks for the article concluding that the Ladenburg Thalmann senior notes will trade on the grey market after SEC Rule 15c2-11 takes effect on September 28, 2021. That's a very real possibility, though 15c2-11 has a few exceptions that are beyond the scope of this comment.

From my own perspective, if you didn't buy these when they were **really** on sale last year, I'd be in no hurry to purchase these instruments. The next interest payment (after the June payment) is due on 30 September, 2021, which roughly coincides with the effective date of the new SEC rule. I'm willing to bet that there will be significantly lower entry points in coming months when Schwab, TD Ameritrade, Merrill and other brokerages begin sending out scary client notification letters stating that these securities may no longer be quoted or traded. We already saw a similar effect when the Caveat Emptor restricted securities letters went out in May, also in reaction to the SEC rule change. (See www.tdameritrade.com/... as one example - "As of May 25, 2021, TD Ameritrade will restrict orders in Caveat Emptor designated OTC securities to liquidating trades only.")

From what I can tell Advisor Group is having a great year in terms of lining up new AUM. Rising stock prices militate for a more profitable financial services market, and I'm betting that the cost savings efforts associated with the Ladenburg acquisition are going well. But with interest rates still so low, it's harder for broker/dealers like AG to get much of a return on their cash. It seems likely to me that Fitch Ratings will remove their negative outlook (last rating was November 10, 2020) but that's another unknown at this time.

Bottom line, I'd wait for a better entry point. Simply FWIW, and good luck.

(Edited to fix an incomplete sentence.) *(edited)*

↩ Reply 👍 Like (5)



Rida Morwa

Yesterday, 12:35 PM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply @ESW3 Thank you for reading and adding!
I'm a big fan of setting your buy under price and placing a limit order. Let the investment come to you at a price you are willing to pay rather than chase it. This is especially important when you are talking about less-liquid securities. I view these as securities to buy and hold until maturity. So it is best to make sure you get the price you want.

↩ Reply 👍 Like (3)



crrj

Yesterday, 11:19 AM



Comments (3.21K) | + Follow

Great article Rida....nice find.

↩ Reply 👍 Like



Rida Morwa

Yesterday, 12:33 PM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply @crrj Thanks, glad you enjoyed it!

↩ Reply 👍 Like



malaparte

Yesterday, 10:41 AM



Comments (788) | + Follow

Rida, are there any tax advantages to having these bonds vs. preferred.

↩ Reply 👍 Like



Preferred Stock Trader

Yesterday, 11:26 AM



Contributor

Premium

Marketplace

Comments (2.74K) | + Follow

[@malaparte](#) Bonds don't have tax advantages. Maybe only for foreigners where there is less or no withholding tax than preferreds.

↪ Reply 👍 Like (2)



Rida Morwa

Yesterday, 11:31 AM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply [@Preferred Stock Trader](#) Actually I believe based on new tax updates with the United States, the withholding taxes on dividends for most non-U.S. based investors are substantially less in 2021 than in 2020.

All the best, Rida

↪ Reply 👍 Like



waldipup

Yesterday, 9:36 AM



Comments (5.59K) | + Follow

No issues with the liquidity thing , but CCC?

Scary .

↪ Reply 👍 Like



Hidden Opportunities

Yesterday, 9:51 AM



Contributor

Premium

Marketplace

Comments (277) | + Follow

[@waldipup](#) i understand the concern, but these are normal in the Financial Services space. In the past, Assured Guaranty (a leading credit protection services firm) and Reinsurance group of America have carried CCC ratings. They make a lot of acquisitions by taking on debt and then slowly process that debt.

↪ Reply 👍 Like (1)



Preferred Stock Trader

Yesterday, 11:27 AM



Contributor

Premium

Marketplace

Comments (2.74K) | + Follow

[@Hidden Opportunities](#) You don't get 10% YTM with highly rated bonds. For CCC bonds, these are very good.

↪ Reply 👍 Like (2)



berwyn1

Yesterday, 9:30 AM



Marketplace

Comments (26) | + Follow

As always , a good idea but I don't invest in CCC rated bonds

↪ Reply 👍 Like



petergo007

Yesterday, 9:15 AM



Marketplace

Comments (1.38K) | + Follow

thanks Ridawhat about LTSA?

↪ Reply 👍 Like (2)



Rida Morwa

Yesterday, 9:24 AM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply @petergo007 Thanks for your comment. I believe that the baby bonds provide a higher level of safety than the preferred stocks, and are much more desirable, given that they are moving to the grey sheets.

All the best, Rida

↩ Reply 👍 Like (1)



Unojack

Yesterday, 3:22 PM



Comments (1.61K) | + Follow

@Rida Morwa I will stay with the Pref LSTA but have bids in for the Baby's. *(edited)*

↩ Reply 👍 Like (1)



thechosenone202

Yesterday, 9:04 AM



Comments (8) | + Follow

A question your team may have already answered in a prior article - why don't companies such as AG (or frankly any company with high-yield preferred shares or baby bonds) take out a low-interest loan in this environment and use those funds to redeem their more expensive obligations?

↩ Reply 👍 Like (4)



Ultrabase

Yesterday, 9:41 AM



Comments (329) | + Follow

[@thechosenone202](#) Considering that they are rated Caa2 (Moody's) and CCC (Standard and Poor's), most likely the company can't get a low interest loan. They would if they could.

Reply Like



Rida Morwa

Yesterday, 9:56 AM



Marketplace Contributor

Premium

Comments (18.18K) | + Follow

Author's Reply [@thechosenone202](#) When they can, they probably will.

Reply Like