

# Using Cash and Short-Term Bonds to Avoid Taking Losses

This week's AAI **Weekly Digest** highlights these "must-read" AAI articles:



## [Analyzing a Stock by Its Dividend and Shareholder Yield](#)

One theory of valuation is that a stock is worth the cash distributable to shareholders. An advantage to methodologies based on this concept is that cash distributions are not influenced by accounting adjustments. Cash is either returned to shareholders or it's not. Both dividends and stock buybacks can be used to assess a stock's attractiveness; higher relative shareholder yields have historically led to better stock returns.

## [What Bond Calls Mean for Your Cash Flow](#)

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In a falling interest rate environment or in one where interest rates have fallen in the not-too-distant past, it is especially important for investors to understand bond calls if they own individual bonds, bond funds, annuities or life insurance.



## [Using Cash and Short-Term Bonds to Avoid Taking Losses in Retirement](#)

Jane Bryant Quinn is a nationally known personal finance writer and commentator. Her latest book is “How to Make Your Money Last: The Indispensable Retirement Guide” (Simon & Schuster, 2016). In this conversation with *AAII Journal* editor Charles Rotblut, the two discuss why retirees should have the equivalent of up to five years of expenses allocated to cash and short-term bond funds.

## [Defining Yield: A Word of Many Meanings](#)



The term “yield” is used often by the financial press and others. The trouble is that yield has many different meanings and implications for investors. This workshop will try to sort out some of the major differences. It will not, however, attempt to present mathematically all of the possible yield calculations created by institutions and financial instruments.

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Our [Member Question](#) for this week is:

***Have you made any changes to your portfolio in anticipation of an all-out trade war between the U.S. and China?***

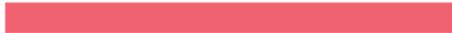
[Vote Now »](#)

**Vote to answer this week's Special Question: *What changes, if any, have you made to your investment portfolio or strategy in anticipation of the U.S.-China trade war?***

### Last Week's Results:

How much of your overall portfolio is invested in "alternative investments" such as private equity, hedge funds, managed futures, real estate, commodities and derivatives contracts.

I do not invest in alternative investments : 50% - Votes: 964



Less than 5% : 23% - Votes: 440



Between 5% and 10% : 13% - Votes: 261



More than 20% : 7% - Votes: 141



Between 11% and 20% : 7% - Votes: 131



Poll results are as of 9 a.m. (Central) on Monday. 2,000 respondents.



[AAll Survey: Half of Readers Hold Alternative Investments](#)

Alternative investments have been touted as a way for investors to diversify their portfolios and boost return. However, the track record of some alternative investments, such as hedge funds, contradicts this. We asked our readers how much of their portfolio is invested in alternative investments and the main reason for investing in or avoiding alternative investments.



### [AII Investor Classroom: Investing in Bonds](#)

Think of the bond market as a mystery wrapped in an enigma? You are not alone. But this AII classroom—a member exclusive—pulls back the curtain so that you can analyze individual bonds with confidence.

The AII Weekly Digest is one of the many **benefits** of AII membership. To learn more, consider a **30-day Trial AII Membership** to start becoming an effective manager of your own assets.