

ABSOLUTE INCOME:

**HIGH-YIELD STRATEGIES FOR
2017 AND BEYOND**



HIGH-YIELD MASTERS
PORTFOLIO WEALTH GLOBAL

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LOW INTEREST DISEASE IS HERE TO STAY HIGH-YIELD MASTERY FOR THE NEW RETIREMENT

It was not too long ago that my wife and I, along with a few friends of ours, were taking a road trip through the villages of Switzerland.

The view couldn't be more pristine, and the sheer feeling of calm and serenity is all but obvious in that beautiful country.



Then, a friend of mine had an idea. We were about to eat lunch at a recommended restaurant right in town, but he said that a close colleague had suggested a restaurant that was famous for its traditional dishes. It was about 50 minutes away, but he said it was the best.

Obviously, some of us begged the rest to simply eat now, since we were clearly hungry, and we knew the place well, including which dishes are well-prepared, but the rest wanted to trust my friend, who is a good persuader.

The vote was cast, and we drove 50 long minutes to rural Switzerland, where this panoramic restaurant was located.

Since I had already eaten once at the restaurant in town, comparing the two wasn't hard.

Unfortunately, the difference in taste was miniscule, if anything. Both restaurants served basically the same dishes, only this one was set in a rural area and the other one was smack dab in the middle of town, so the remote one had more of a tourist appeal.

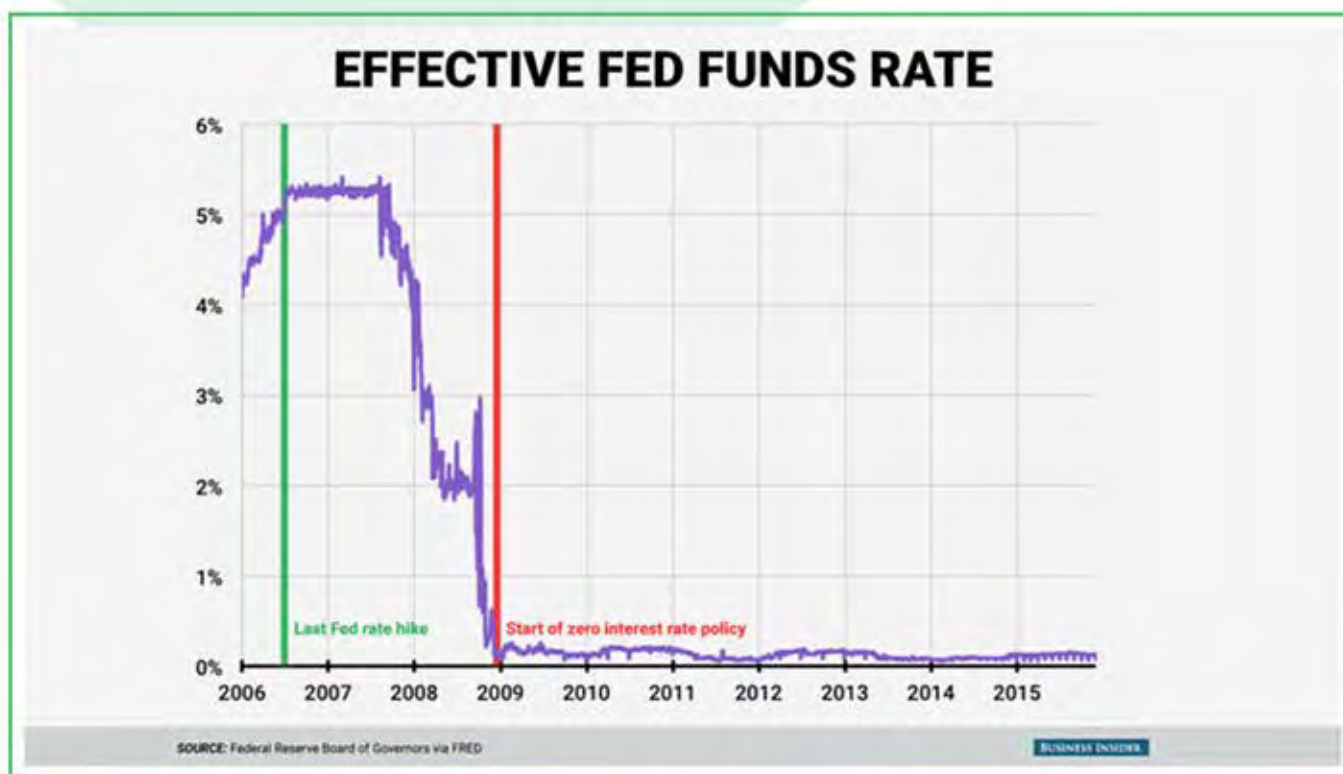
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The lesson of the story for me was that although two things can basically be about the same, their presentation can be entirely different – the key is marketing.

That is precisely what the Federal Government and the Federal Reserve group of banks are aiming to achieve in 2017.

THE SECRET OF REAL INTEREST RATES

In December 2016, the U.S. Federal Reserve, which sets interest rates for the global economy both directly and through subtle coercion, raised rates for the second time in two periods, and for only the second time in close to a decade.

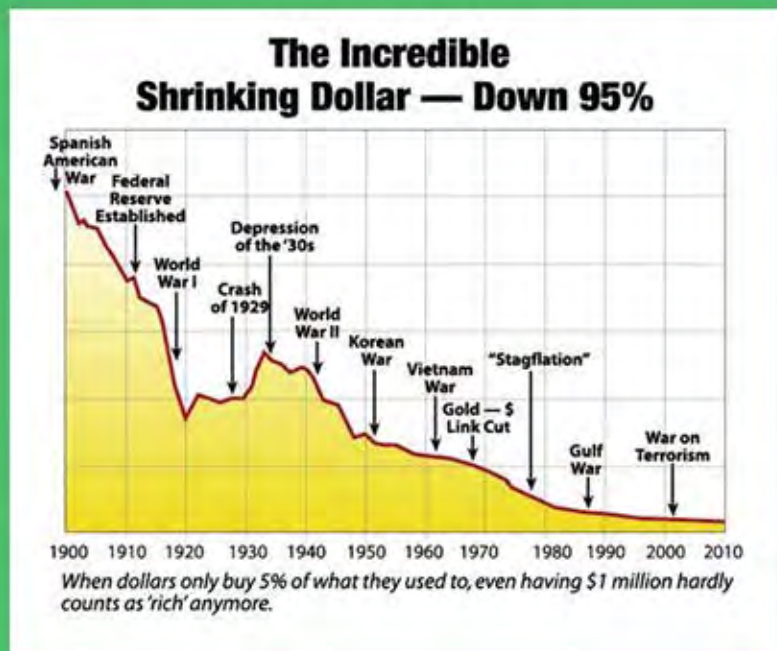


The Federal Reserve's hype of raising rates reminds me of my friend convincing a group of 10 adults to drive 50 minutes each way in order to eat the same food – in actuality, there's no difference between the world we live in now and the one before this second rate hike.

What truly matters are real interest rates (interest rates – inflation rates). This remains close to zero and, in some countries, is even negative.

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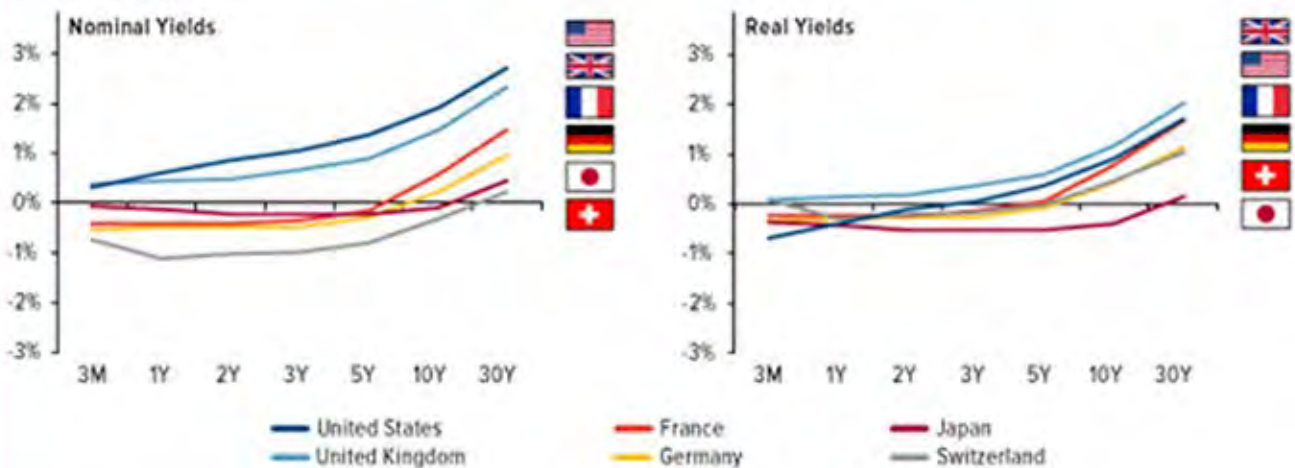
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This is the real problem, but it's so insidious that you'll never know of it. It's a tax that's not advertised, but it is responsible for the fact that we must all work more in order to retain the same quality of living – it is inflation, which is eroding the purchasing power of our currency.

Low and Negative Government Bond Yields Convince Investors to Look Elsewhere

As of March 21, 2016



Source: Bloomberg, World Gold Council, U.S. Global Investors

At Portfolio Wealth Global, we want to boost your financial plethora of choices so that you can personally eliminate the mentality of becoming a victim to this system of eroding savings power and low interest rates by becoming High-Yield Masters.

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The Portfolio Wealth Global team had created an initial list of 43 companies that are maintaining a dividend history of 5 years of increases. On top of that, dividend yields must be above 5%, with a payout ratio that is sustainable. Lastly, a 10-year dividend growth rate that is favorable and low 10-year stock price standard deviation are also requirements.

Out of those 43 stocks, we scrutinized and analyzed to ultimately zoom in on the best two businesses.

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HIGH-YIELD INCOME: STOCK MARKET LEVEL



Buckeye Partners' (NYSE: BPL) primary business is the transportation of gasoline, jet fuel, and petroleum.



BUCKEYE PARTNERS, L.P.

The company's assets are located across the United States. Its pipelines are primarily in the Eastern and Northeastern United States, from Iowa to New York.

SYSTEM MAP



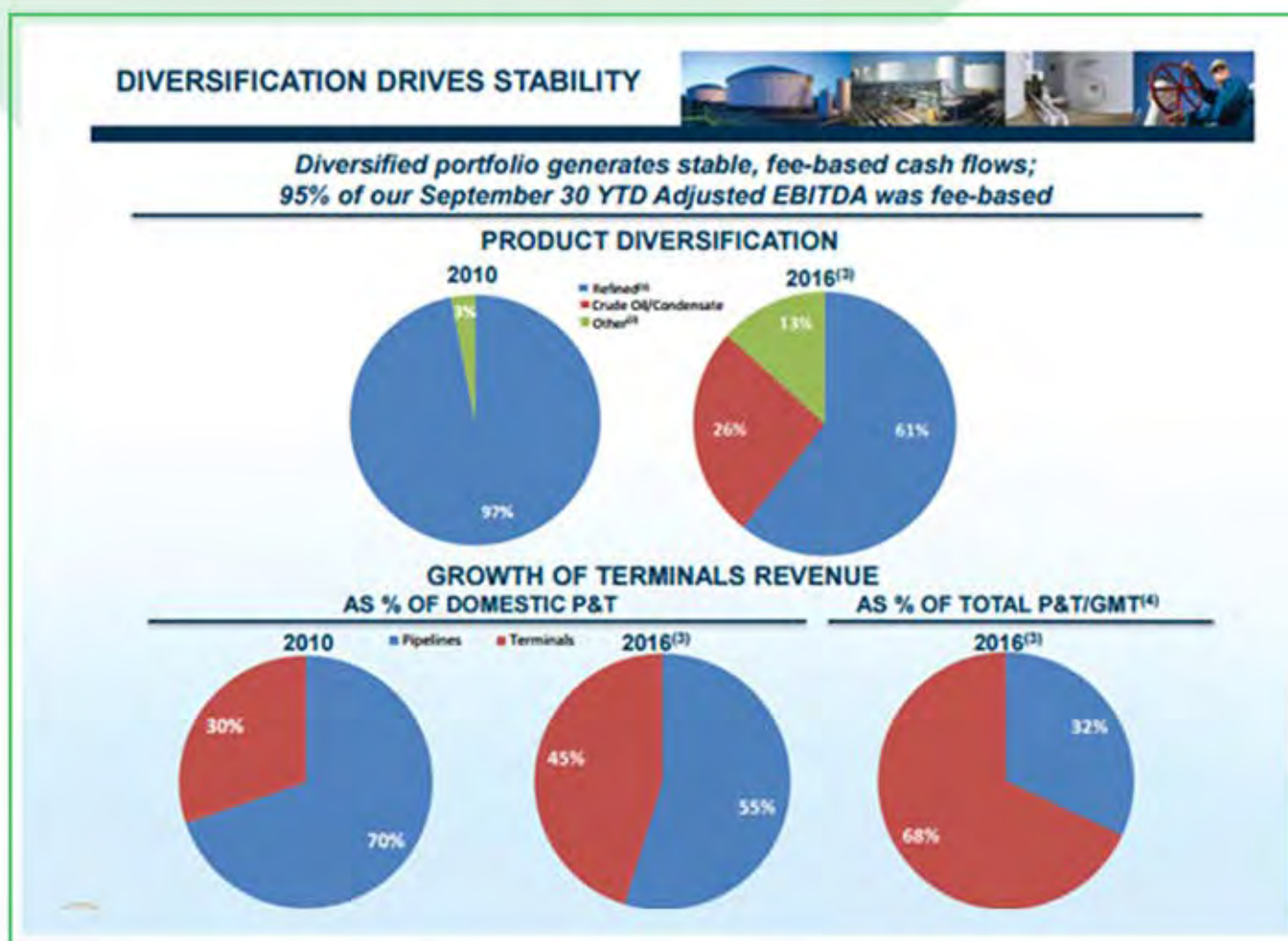
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The company's marine terminals are primarily on the east coast, Gulf coast, and in the Caribbean. Buckeye Partners is expanding internationally with its acquisition of VTTI.

Buckeye Partners (NYSE: BPL) has a distribution coverage ratio of 1.2x – the highest distribution coverage ratio the company has had since 2009. The company focuses on fee-based revenue to provide consistent cash flows.

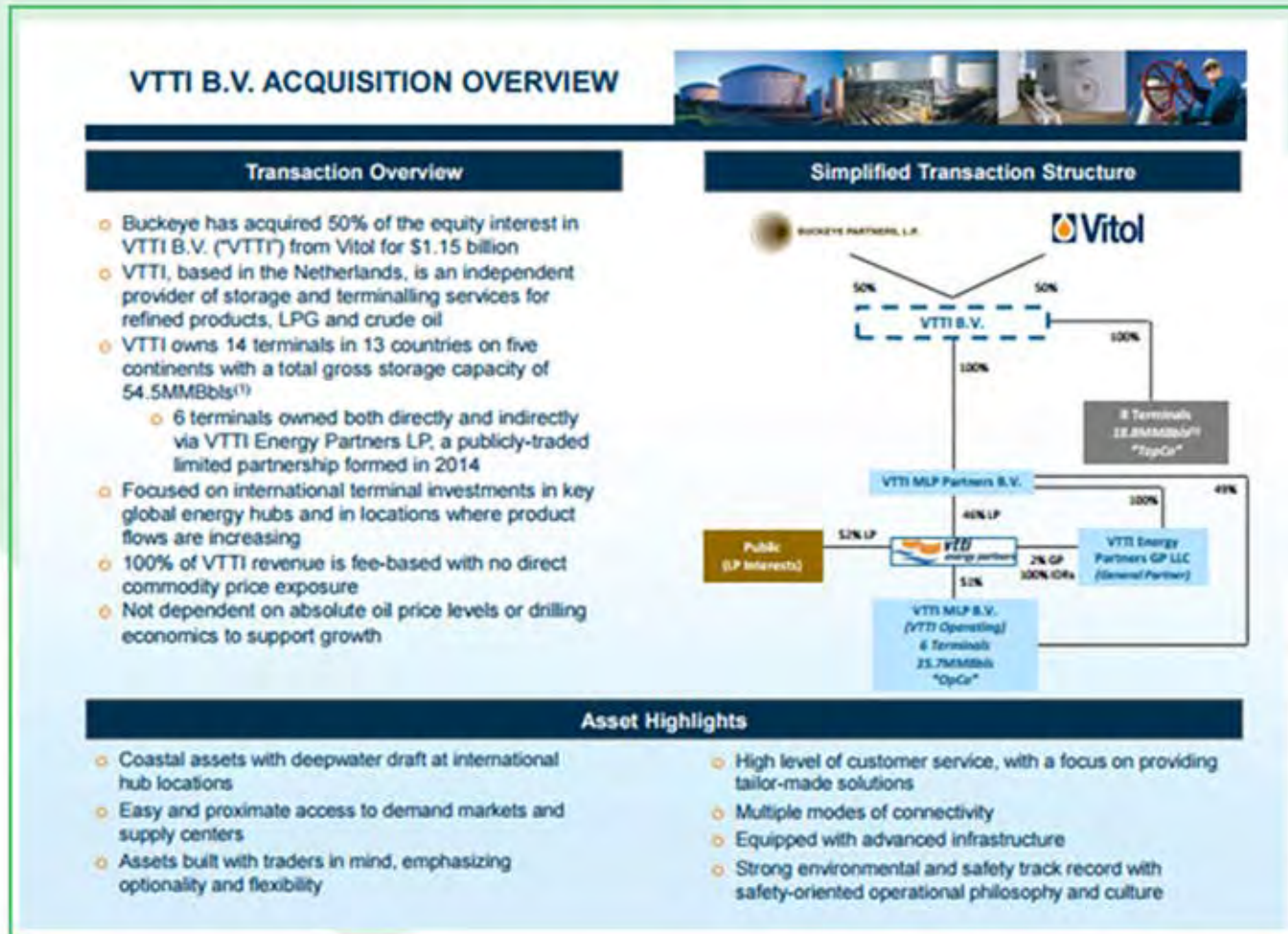
It has consistently grown and diversified its operations within the midstream energy sector over the last 5 years, and it is poised for more growth ahead.



Terminal revenue now makes up 70% of total revenue for Buckeye Partners, up from 30% in 2010. The recently announced VTTI acquisition gives the company global operations.

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Buckeye Partners has grown its distributions at 5% a year over the last decade. Growth on a per-share basis over the next several years is set to increase significantly to around 9% per year due to the VTTI acquisition.

Buckeye Partners' historical dividend yield since 2010 has been at around 6.5%. The company's stock is currently trading for a yield of 7.4%. Buckeye Partners is now under-valued relative to its historical average dividend yield, especially considering its better growth prospects relative to historical growth.

What captivated the Portfolio Wealth Global team the most, myself included, is the strategic planning.

MLPs that are designed to distribute much of the profits, like Buckeye Partners L.P. (NYSE: BPL), must be prepared for commodity downturns, and this management team is one of the best around.

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STRATEGIC RATIONALE



International Marine Terminal Platform

- Immediate world-wide presence with sizeable assets in key global hubs (ARA⁽¹⁾, Singapore, Middle East)
- High quality assets consisting of retrofitted terminals and newly constructed facilities, all designed with a focus on customer optionality
- Hard to replicate global network with multimodal access (marine, road, pipeline, rail)
- Talented existing management, commercial, operational and regulatory personnel in place at VTTI offer an effective entry into the international terminalling space

High Growth Business

- Track-record of successful greenfield development and acquisitions across the globe, having developed in excess of 34MMBbls⁽²⁾ of new storage capacity and integrated over 17MMBbls of storage capacity through acquisitions across five continents since 2006
- A deeper pool of M&A and greenfield development opportunities exists internationally, as emerging economies drive growing international refined products demand
- Currently evaluating new projects at attractive multiples

Vitol Partnership

- Vitol drives substantial business through VTTI and, as 50% partner, will continue supporting development of new opportunities and commercial use of the existing asset base⁽³⁾
- A partnership with Vitol, the largest world-wide international trader of petroleum products, provides unique insight and visibility towards current and future product flows and growth opportunities

Financially Attractive Investment

- Immediate accretion to distributable cash flow growing over time
- Anticipated long-term acquisition multiple below 10x⁽⁴⁾
- Diversified, stable cash flows underpinned by global refined products flows
- Average utilization of ~97% over past 4 years
- No direct commodity price exposure

When you decide to invest in long-term, high-yield companies, look at their 5-10-year plan. The worst thing is a management who is sitting on their hands instead of growing the asset base and increasing the value of your shares. This company is relentless.

GROWTH CAPITAL PROJECTS



Expect to invest \$280-320 million in growth capital

DOMESTIC PIPELINES & TERMINALS

- Projects to address the west to east market shift as Midwest refiners look for additional distribution outlets for Midwestern supply
 - Michigan/Ohio Expansion – Phases One & Two
- Cross-Town Pipeline project expected to increase pipeline connectivity from Buckeye's Chicago Complex to multiple terminals in western Chicago as well as increase fungible storage capacity and relieve congestion
- Expansion of Harristown terminal facility to increase its throughput capacity by adding truck racks and improving pipeline flows
- Further expand storage, throughput capacity and service capabilities in the Chicago Complex to support growing needs of major Midwestern refinery customers

GLOBAL MARINE TERMINALS

Corpus Christi

- Remaining construction at Texas Hub completed and placed into service in Q1 2016
- Added connections to nearby refineries and fractionators to bring in various feedstocks such as naphtha and LPG in 2016
- Additional initiatives include asset optimization and enhanced connectivity

New York Harbor

- Further enhance competitive position by improving the facilities' interconnectivity, marine handling, blending and pipeline takeaway capabilities along with incremental storage capacity
- Potential restart of asphalt production at Perth Amboy facility contingent upon execution of long-term tolling agreement

Caribbean

- Butane blending services and onshore storage at Buckeye Bahamas Hub

Evaluating significant potential strategic capital investment opportunities that are anticipated to generate long-term value for our unitholders

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OUR SUGGESTION:

Consider shares of Buckeye Partners L.P. (NYSE:BPL)
Buy-up-to price: \$62.94

We are currently wrapping up a report on the 2nd company, which currently yields 9.4%.

It is an incredible stock, which dates back to 1937, and is a rock-solid investment.

We will be publishing it on PortfolioWealthGlobal.com at the beginning of February, so stay tuned, because we are going to have a pivotal 2017!

INCOME AWAY FROM THE STOCK MARKET

There is a tremendous opportunity today for investors, both risk-averse and aggressive ones, that can be derived from sources that aren't as volatile as the stock market.

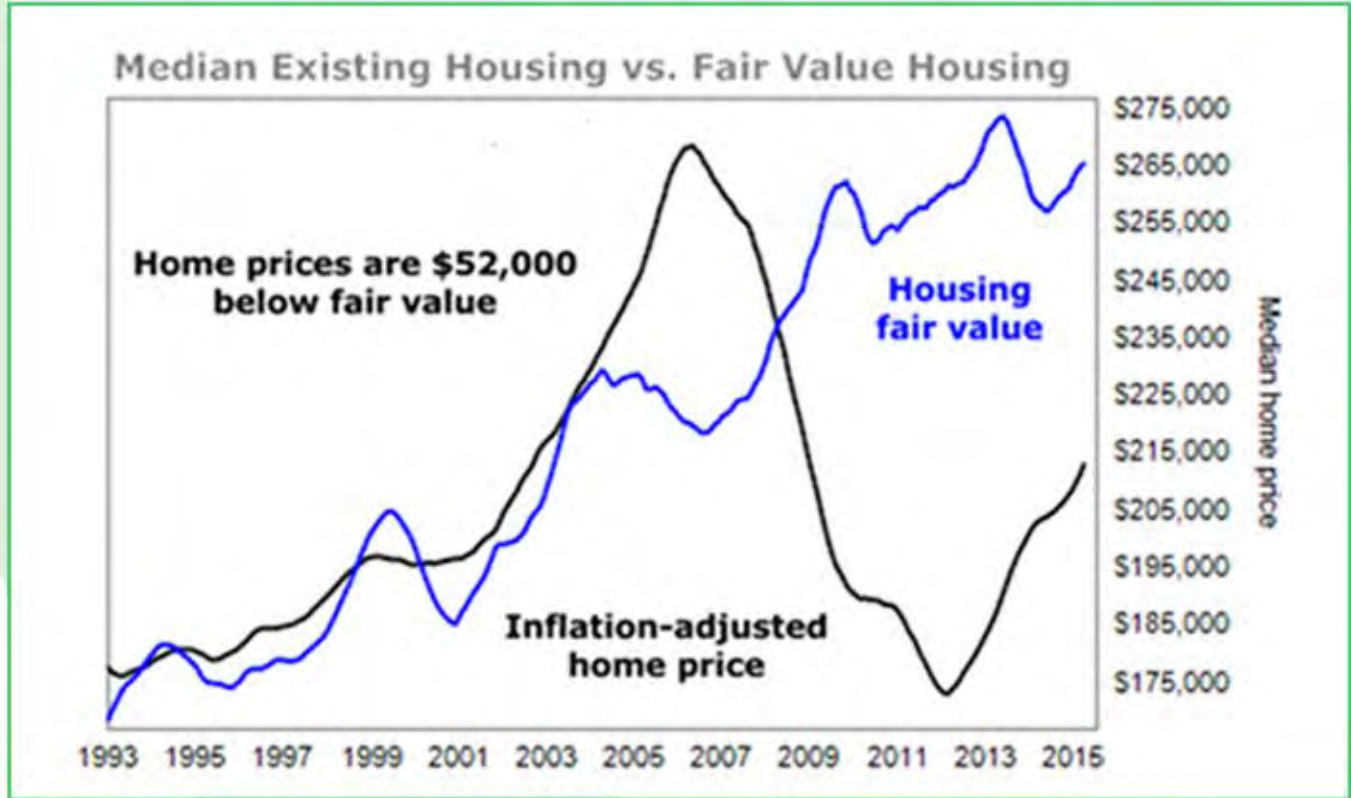
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Real Estate: Obviously, owning residential rental real estate has been one of the hallmark wealth creators throughout human history, and today, with the advancement of outsourcing property management, owning property is a true hands-off investment.

In the coming months, Portfolio Wealth Global will be publishing a wide array of real estate manuals aimed at novice to advanced investors, ranging from \$0 - \$1,000,000 to invest, using 4 stages of real estate opportunities according to your net worth.

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Recently, my partners have begun investing for high yields in a number of advanced strategies that capture safe income within the real estate market without ever owning the property.

We are currently completing a full briefing on this strategy, and it will be published for you soon.

Lastly, you can invest in REITs. These are stock market investments, which is what I like about them. By owning real estate through the stock market, you are liquid and can easily exit the position, unlike a property, which is a real hassle to sell.

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2

Private Lending: Online technology has made it possible for the first time in human history to make us all banks with the click of a few

This is a new industry, but it is working and it is safe. What I also love about it is that YOU get to choose how much money to lend – it starts with a minimal loan, and can even be large amounts, which you can spread throughout a number of separate loans for diversification.

The yields are quite high, and right now, our team is completing a 1-year experience of our own using a number of websites, so we will have a full High-Yield Masters report out soon.

Portfolio Wealth Global's main mission is to arm you with a rich plethora of information, unmatched by mainstream media and outlets, that suggests ideas without putting together the actual plans to implement the vision.

By becoming a High-Yield Master,

you will be able to traverse this zero interest-rate global economy and thrive through it.



HIGH-YIELD MASTERS

PORTFOLIO WEALTH GLOBAL

DISCLAIMER

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