Nearly two years ago – on August 26, 2013, to be exact – we published an article that had nothing to do with government contracts, cost accounting, compliance, or the aerospace/defense industry. In a total departure we offered our readers **investing advice** . Not only was it a unique topic not otherwise found in our oeuvre of blog articles (or expertise!) we also offered it in the first person point of view, which we rarely use on this site.

(An article on point of view and the use of pronouns is being written and will soon be published, as if you need *yet another* article not related to anything else on this site.)

We caveated the hell out of the original article, writing "To be clear: I claim no insight or insider knowledge or any expertise in this area whatsoever. So feel free to ignore my investing advice. I really have *no business* writing about the topic." That caveat still stands. We claim no expertise and no special insight into the world of investing, and you may want to skip this article because, quite candidly, what the hell do we know?

Not much! Let us be the first to tell you.

But still ….

In that original article we discussed how one could create a fairly well-diversified portfolio without investing a lot of money. We created a hypothetical portfolio of 100 shares each of three American companies, the lot of which could be purchased that day for less than $6,000 total (excluding commissions). We wrote –

I'm not rich—you too can buy 100 shares of Ford right now for $1,700 or so. You can buy 100 shares of Bank of America for $1,500 or so. You can buy 100 shares of Cisco Systems for $2,400 or so. So for less than $6,000, you can have a stock portfolio that includes an American auto manufacturer, a finance company, and a technology company. That's not too shabby, in terms of diversification.

We did not recommend those stocks in any way whatsoever. That was just a hypothetical example intended to show “what if?” Obviously we were not offering investment advice and we went far out of our way to make that very clear.

But still ….

What if you had taken our advice on August 26, 2013? Where would you be today if you had invested your $5,500 as we had shown?

Just for giggles, we went looked at how you would have fared.

Had you purchased 100 shares of Cisco stock on August 26, 2013, you would have paid $2,383 (excluding commission). As of April 3, 2015, that stock was worth $2,713, so you would have made $330 had you sold it on that day.

Similarly, 100 shares in Bank of America would have cost you $1,449 and you could have sold them for $1,554 on April 3, 2015, for a price appreciation of $105.

Our hypothetical investment in Ford would have cost you $1,641 and you could have sold those 100 shares for $1,603 on April 3, 2015 – which would have been a loss of $38.00.

In sum, your August 26, 2013 investment of $5,473 was worth $5,870 on April 3, 3015. You would have made $397.00.

But that’s not the end of the story. As we told you in the original article, “the other way to make money is through income, or payment of dividends. Many stocks pay dividends to their shareholders.” The math above does not include any dividend payments; and each of those three stocks paid dividends.

The table below shows the total picture (excluding commissions) on the hypothetical investment of $5,500.

| | | Aug. 26, 2013 | | | April 3, 2015 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share | No. of | Amount | Share | Current | Gain or | Dividend | Total | Percent |
| Stock | Ticker | Price | Shares | Invested | Price | Value | Loss | Paid | Return | Return |
| Ford | F | $ 16.41 | 100 | $ 1,641 | $ 16.03 | $ 1,603 | $ (38) | $ 90.00 | $ 52.00 | 3.17% |
| Bank America | BAC | $ 14.49 | 100 | $ 1,449 | $ 15.54 | $ 1,554 | $ 105 | $ 19.00 | $124.00 | 8.56% |
| Cisco Systems | CSCO | $ 23.83 | 100 | $ 2,383 | $ 27.13 | $ 2,713 | $ 330 | $131.00 | $461.00 | 19.35% |
| Totals | | | | $ 5,473 | | $ 5,870 | $ 397 | $ 240 | $ 637 | 11.64% |

As the table shows, even though you would have lost $38.00 on Ford's share price, at the same time you would have made $90.00 in dividend payments—cold, hard cash paid directly into your bank account by Ford Motor Company. Factoring dividends into the picture shows that you would have made a return on your investment of more than 3 percent.

Similarly you would have seen an ROI of nearly 9 percent on your Bank of America stock, and a whopping 19.35 percent ROI on your Cisco stock. Overall, you would have made $637 for a ROI of nearly 12 percent.

Moreover, since you held on to the stock for more than a year, you would have received favorable capital gain treatment on the stock sale.

Compare that to your fully taxable interest earned from your $5,500 Certificate of Deposit.

One final note:

In the original article we discussed our experience with Apple stock, wherein we bought 10 shares at $650.00 each ($6,500 total investment). At the time we wrote the article, Apple was selling at $503 per share, so we had lost nearly $1,500. On paper. Kind of a bummer.

What happened since then?

Well, first of all Apple split 7/1 so our 10 shares become 70 shares.

Apple did okay and was selling on April 3, 2015 for $125.32 per share. Our original investment of $6,500 was worth $8,772.40, for a gain of $2,272 or 35 percent. Not too shabby.

In addition, Apple has paid $192.60 in dividends on those 10 (now 70) shares.

So in total, while we were down $1,500 when we wrote the original article, our ROI today, should we have sold on April 3, 2015, would have been $2,465 or nearly 40 percent.

So how's that CD looking now?

Again, we are not offering investment advice nor are we advocating purchasing any shares in any particular company. We're just talking hypotheticals here.

But still ….

You may want to get serious about investing. It really doesn't take all that much money to start and, as we hope we've shown, even a small initial investment can return some fairly tasty returns.