



## **Dividend Detective Highlights**

**DIVIDENDDetective.COM**

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### **Welcome to the November 2014 Edition of Dividend Detective Highlights**

Highlights includes the most popular features of Dividend Detective: the Monthly Commentary, Sample Portfolios, Dividend Monsters (50 highest yielding stocks), Dividend Hotshots, Corporate Bond Portfolios, and "D.D. At a Glance," which lists all followed stocks and funds, including current yields and our buy/sell recommendations.

#### **Much More on Premium Members Site**

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Other features available on the Premium Members site include Special Dividend Announcements, Ex-Dividend Calendar, Dividend Scoreboard, Monthly Monsters, and more.

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#### **Question & Comments**

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#### **Tell Us What You Think**

Your comments and suggestions have proved invaluable in helping us develop and improve Dividend Detective. Please keep those suggestions coming.

*Thanks for subscribing.*

*Harry Domash*

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# DIVIDEND DETECTIVE HIGHLIGHTS

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## November 2014 Commentary

### Review of October's Results and This Month's Changes

#### OCTOBER WASN'T BORING

October was a roller coaster ride, but in the end, the S&P 500 gained 2%. Nine of our 17 Industry & Specialty portfolios beat that number, two tied, and six fell short. Real Estate Investment Trusts, up 10% for the month, and Insurance, up 9%, did the best. Our Energy MLP portfolio, down 8%, was our biggest loser. MLP General Partners, usually at the top of each month's list, lost 4%.

Looking at our Sample Portfolios, Diversified Monthly, up 6%, Conservative, up 5%, and Growth & Income, 4%, all beat the market. High Yield/Speculative, down 1%, was the only loser. Here's our entire portfolio list showing last month's and year-to-date returns.

Portfolio	Avg. Returns	
	Last Month	YTD
Real Estate Investment Trusts	10%	22%
Insurance Industry	6%	2%
Business Development Co.	5%	7%
CEF Growth Opportunities	4%	5%
Manufacturing & Services	4%	7%
Closed-End Fund Monthly Income	3%	10%
Dividend Speculators	3%	2%
Utilities	3%	15%
Canada Stocks	3%	15%
Large Banks	2%	13%
Regional Banks	2%	1%
ETF Monthly Income	1%	7%
Oil Industry	1%	-19%
Preferred Stocks	1%	17%
Partnerships: Ex-Energy	-3%	3%
MLP General Partners	-4%	24%
Energy Partnerships (MLPs)	-8%	27%
Sample #1: Diversified Monthly	6%	new
Sample #2: Conservative	5%	12%
Sample #3: Growth & Income	4%	17%
Sample #4: High Yield/Speculative	-1%	-3%
S&P 500	2%	10%

#### What Happened?

A variety of seemingly serious issues drove the market down sharply in early to mid-October. But, by the end of the month, everything faded into the background, except for plunging crude oil prices. Exactly why oil dived so much is debatable, but appears that Saudi Arabia, if not the instigator, is okay with the result. How long the price slide lasts and how deep it goes is unknowable.

The bottom line is that anyone pumping oil is making less per barrel than before. Reports that I've seen say that if you're using fracking techniques, it costs between \$50 and \$75 to get a barrel of oil out of the ground. Thus, it's likely that producers relying on fracking might postpone drilling new wells until prices recover, thereby

reducing demand for fracking sand and other required materials.

Even though natural gas prices haven't dropped nearly as much as oil, the trading prices of most natural gas pipeline operators ended October in the loss column. Unless natural gas prices slide drastically, those pipeline stocks should recover.

#### What's New?

We're adding a new residential mortgage investor to our Speculators portfolio, but it's **not a REIT**. It pays a 12.9% yield, just like a mortgage REIT, but unlike REITs, its dividends qualify for the 15%/20% maximum income tax rate.

We're replacing our pharmaceutical maker in Manufacturing & Services with another player in the same industry that has better growth prospects.

In Preferreds, we're selling three existing picks and adding one new preferred that is credit-rated 'investment quality' paying 6.7%, and one non-rated preferred paying 8.1%.

We're selling one underperforming non-energy MLP from our Partnerships-Excluding Energy portfolio.

Since it appears that interest rates aren't going up much anytime soon, we're also selling two fixed-income securities, one an ETF, and the other a Closed-End Fund. Both were added last year as a hedge against rapidly rising interest rates. Here are the details.

#### NEW BUYS, SELLS, ETC.

**Energy Partnerships (MLPs):** **SELL** Emerge Energy (EMES).

**Manufacturing & Services:** **Buy** AbbVie (ABBV). **Sell** Johnson & Johnson (JNJ).

**Preferreds:** **Buy** Qwest Corp. 6.875% (CTV) and Invesco Mortgage 7.75% (IVR-B). **Sell** Endurance Specialty 7.50% (ENH), Qwest Corp. 7.50% (CTW) and Goodrich Petroleum 10.0% (GDP-C).

**Div. Speculators:** **Buy** Arlington Asset Investment (AI). **Sell** Navios Maritime (NM).

**ETF Monthly Income:** **Sell** PShares Senior Loan (BKLN).

**CEF Monthly Income:** **Sell** Invesco Dynamic Credit (VTA).

**Partners Excluding Energy:** **Sell** Carlyle Group (CG).

#### SAMPLE (MODEL) PORTFOLIOS

We offer four Sample Portfolios, each containing seven securities. Pick one or more portfolios and invest equal dollar amounts in each of the seven securities.

Don't "cherry pick." Every portfolio has its stars and clunkers, but you can't know which is which in advance. Every few months, check the dollar value of your holdings and rebalance if necessary.

When we replace an existing pick, we suggest that you do the same. However, we have **different "buy" criteria** for our Sample Ports than for our Industry & Specialty portfolios. If the security being replaced is still "buy" rated in its home portfolio, it's your option whether or not to sell it, assuming that you have available funds. Please see page 7 for current Sample Portfolio holdings.

#### **Diversified Monthly Payers Portfolio (+5.6% return)**

REITs STAG Industrial (STAG), up 18%, and EPR Properties (EPR), up 11%, propelled the portfolio's strong showing. Preferred stock BreitBurn Energy (BBEP), down 2%, and closed-end fund Center Coast MLP (CEN), down 1%, were the laggards.

#### **Conservative Portfolio (+4.9% return)**

Another REIT, Omega Healthcare Investors (OHI), up 13%, was the leader. But, Genuine Parts (GPC), up 11%, wasn't far behind. Closed-End Fund Invesco Dynamic Credit (VTA), down 2%, and Kraft Foods (KRFT), up 1%, trailed the pack.

We're replacing the Invesco fund with another closed-end fund, Alliance Bernstein Income (ACG), which holds mainly investment quality debt. Invesco Dynamic Credit is also sell-rated in its home Monthly Income Closed-End Fund portfolio.

#### **Growth & Income Portfolio (+3.6% return)**

QTS Realty Trust (QTS), yet another REIT, led this portfolio with a 16% gain. Closed-end fund H&Q Life Sciences (HQL), now renamed Tekla Life Sciences, up 9%, came next. Targa Resources (TRGP), down 5%, and Icahn Enterprises (IEP), at breakeven, were the laggards.

We're replacing pharmaceutical Johnson & Johnson (JNJ) with another Pharma, AbbVie (ABBV), which has better dividend growth prospects. Johnson & Johnson is also sell-rated in its home Manufacturing & Services portfolio.

#### **High Yield/Speculative Portfolio (-0.7% return)**

Northern Tier Energy (NTI), up 8%, and closed-end-fund F&C Total Return (FLC), up 3%, did the best. Capital Products Partners (CPLP), down 8%, and Intersil (ISIL), down 7%, did the worst.

We're replacing Capital Product Partners with a new Speculator pick, Arlington Asset Management (AI), which is yielding 12.9%. Capital Product is still "buy" rated in its home Partnerships-Excluding Energy portfolio.

## **PREFERRED STOCKS**

**PORTFOLIO RETURNS: LAST MONTH +0.9%, YEAR TO DATE +16.6%**

**BEST:** Lexington Realty (LXP-C) +5%, Teekay Offshore (TOO-A) +4%  
**WORST:** Goodrich Pet. (GDP-C) -15%, BreitBurn EGY (BBEP) -2%

Although dragged down by Goodrich Petroleum's 15% loss, October was still a good month for our Preferreds. Seventeen of our 25 picks were in the positive column, four broke even, and four recorded losses. Year-to-date, Vornado Realty (VNO-K), up 30%, PartnerRe (PRE-F), up 29%, and General Electric (GEB), up 28%, led the pack. Goodrich Petroleum, down 6% for the year, is our only loser.

## **Sells**

Yield-to-call (YTC) is the average annual return that you'd enjoy if you bought a preferred at its recent price and the issuer called it back on the call date (worst case). We require a minimum 4% YTC for credit-rated 'investment-quality' and 5% for all other preferreds. Last month's share price gains pushed the YTCs for investment-quality picks **Endurance Specialty 7.50% (ENH-B)** and **Qwest Corp. 7.50% (CTW)** below 4%, and we're selling both.

Goodrich Petroleum, a small oil exploration and production player, is developing resources in Louisiana and Mississippi. Unfortunately, these properties are expensive to develop. Since we don't know how far oil prices will fall, we can't predict whether Goodrich will be able to profitably produce oil from its properties. If it can't, it might not be able to continue paying its preferred dividends. We're selling **Goodrich Petroleum 10.0% Series C**.

## **New Picks**

**Qwest Corporation 6.875% Notes (CTV):** issued 9/22/14 by a unit of telecommunications service provider CenturyLink. These investment-quality (BBB-) preferreds recently traded at \$25.57, slightly above their \$25.00 call price, dropping their market yield to 6.7%. Yield to call 6.3%.

**Invesco Mortgage 7.75% B (IVR-B):** issued 9/4/14 by Mortgage REIT Invesco Mortgage Capital. Unlike most preferreds with call dates set five years after issue, this call date is 12/27/24, slightly more than 10 years out. These cumulative (must make up skipped dividends) preferreds recently traded at \$23.84, bringing the market yield up to 8.1%. Yield to call 8.4%. Not credit-rated, meaning only that Invesco elected not to pay for a rating.

## **CEF GROWTH OPPORTUNITIES**

**PORTFOLIO RETURNS: LAST MONTH +4.0%, YEAR TO DATE +4.8%**

**BEST:** Tekla Life Sciences (HQL) +9%, Reeves Utility (UTG) +7%  
**WORST:** Kayne Anderson (KYN) -2%, Gabelli Multimedia (GGT) +2%

Hambrech & Quist changed its firm name to Tekla Capital Management and changed the name of H&Q Life Sciences Investors to Tekla Life Sciences Investors. The ticker symbol remains HQL.

## **CEF MONTHLY INCOME**

**PORTFOLIO RETURNS: LAST MONTH +2.7%, YEAR TO DATE +10.1%**

**BEST:** Dreyfus High Yld (DHF) +9%, Clarion Global R.E. (IGR) +6%  
**WORST:** Invesco Dy. Credit (VTA) -2%, Guggenheim Strat. (GOF) -1%

We added floating rate loan fund Invesco Dynamic Credit to the portfolio in June of last year to hedge against rising interest rates. However, interest rates haven't risen as expected, and it doesn't look like they will anytime soon. As we have seen, Invesco underperforms in a flat interest rate environment.

## **ETF MONTHLY INCOME (EXCHANGE-TRADED FUNDS)**

**PORTFOLIO RETURNS: LAST MONTH +1.2%, YEAR TO DATE +7.0%**

**BEST:** iS JPM Emerging (EMB) +2.0%, iS Invest Gr (LQD) +1.2%  
**WORST:** PS Senior Ln (BKLN) +0.8%, iS High Yield (HYG) +1.1%

### **Sell Power Shares Senior Loan**

The same circumstances described above for Invesco Dynamic Credit applies to the PS Senior Loan in this portfolio.

## CORPORATE BONDS

Bond prices stabilized in October. Our highest rated bonds barely moved in terms of trading prices, and those that did edged down fractionally. Our more speculative bonds mostly drifted up a percent or so. Currently, our two highest yielding bonds are both in our Walk on the Wild Side portfolio:

**SmithField Foods BB- rated 7.75%** notes are yielding 3.3% to their 7/1/17 maturity and **Ally Financial BB rated 4.75%** notes are yielding 3.0% to their 9/10/18 maturity. See page 6 for details.

## BUSINESS DEVELOPMENT COMPANIES (BDCs)

**PORTFOLIO RETURNS: LAST MONTH +4.5%, YEAR TO DATE +7.3%**

**BEST:** Hercules Tech (HTGC) +9%, Main Street (MAIN) +4%

**WORST:** Triangle Cap. (TCAP) 0%

Main Street Capital declared a \$0.275 per share semi-annual special dividend to be paid in December. This payout was 10% above its December 2013 special dividend. Counting the two specials and 12 regular monthly dividends, Main's is currently paying \$2.59/share annually.

## PARTNERSHIPS: ENERGY (MASTER LIMITED PARTNERSHIPS)

**PORTFOLIO RETURNS: LAST MONTH -8.4%, YEAR TO DATE +26.6%**

**BEST:** Calumet Specialty (CLMT) +0%, Global Partners. (GLP) -2%

**WORST:** Emerge Energy (EMES) -23%, Compressco (GSJK) -9%

Emerge Energy Services reported strong September quarter year-over-year earnings and cash flow growth. Fracking sand sales, which accounted for around 90% of cash flow, doubled.

Emerge Energy raised its quarterly payout by 18%, Summit Midstream (SMLP) raised its distribution by 4%, and Compressco Partners and Global Partners both raised their distributions by 2%.

Global Partners is paying \$383 million to acquire Providence, Rhode Island-based Warren Equities, which markets gasoline via 147 owned retail convenience stores, and more than 370 agents.

### Sell Emerge Energy

Emerge reported blowout September quarter numbers and fully expects to grow cash flow and distribution by more than 50% next year. But its outlook looks tenuous to us. U.S. crude oil prices plunged from \$93 or so per barrel in September to \$76 on November 4. In our view, crude prices are just as likely to head lower as higher from here.

Fracking is expensive compared to conventional drilling methods. The per-barrel costs vary with each well, but for some, \$80 is the breakeven point, and for others it could be as low as \$50/barrel. Consequently, some producers will quit drilling new wells if oil drops below \$80, others when it hits \$75, etc. The demand for fracking sand drops whenever a producer decides to delay drilling new wells. If crude prices continue to fall, at some point, fracking sand demand will fall short of supply, and sand prices will drop.

## INSURANCE INDUSTRY

**PORTFOLIO RETURNS: LAST MONTH +6.2%, YEAR TO DATE +1.7%**

**BEST:** Cincinnati Financial (CINF) +7%

**WORST:** Arthur J. Gallagher (AJG) +5%

Cincinnati Financial reported strong (for an insurance company)

September quarter results. Arthur J. Gallagher also reported good numbers, but didn't hit it out of the park the same way CINF did.

Gallagher acquired two U.S. retail insurance brokers.

## LARGE BANKS

**PORTFOLIO RETURNS: LAST MONTH +1.7%, YEAR TO DATE +12.6%**

**BEST:** Wells Fargo (WFC) +2%

**WORST:** JP Morgan Chase (JPM) +1%

Both of our banks reported September quarter results and both reported mixed, but on balance, okay numbers. The main difference is that Wells Fargo achieved higher net interest margins (profit margins on loans) than JPM (3.03% vs. 2.11%).

## MANUFACTURING & SERVICES

**PORTFOLIO RETURNS: LAST MONTH +3.6%, YEAR TO DATE +6.5%**

**BEST:** Six Flags (SIX) +17%, Genuine Parts (GPC) +11%

**WORST:** Cisco Sys. (CSCO) -3%, Target (TGT) -1%

Looking at September quarter announcements, Six Flags was the star, reporting all around strong growth numbers. Genuine Parts came next, recording good earnings and revenue growth, but below year-ago cash flow. Johnson & Johnson (JNJ) reported strong pharmaceutical sales numbers, but medical device and consumer products fell short of year-ago. Covanta Holding (CVA) and Kraft Foods (KRFT) both reported lackluster results.

### Buy AbbVie, Sell Johnson & Johnson

We're replacing Johnson & Johnson in the portfolio with AbbVie (ABBV), another pharmaceutical maker. AbbVie develops and markets treatments for infectious diseases, kidney disease, cancer, and others. Currently, its main product is arthritis drug Humira. However a Hepatitis C treatment expected to be approved in December could be another big seller. AbbVie just raised its quarterly dividend by 17%.

Why AbbVie instead of Johnson & Johnson? For starters, analysts are forecasting 14% revenue growth for AbbVie in 2015 compared to 1% for Johnson & Johnson. Also, forecasts call for 18% dividend growth next year for AbbVie vs. 4% for J&J. Finally, AbbVie is paying a 3.1% yield vs. 2.6% for JNJ.

## MLP GENERAL PARTNERS

**PORTFOLIO RETURNS: LAST MONTH -4.0%, YEAR TO DATE +24.3%**

**BEST:** Williams (WMB) +0%, Spectra Energy (SE) -0%

**WORST:** Oneok (OKE) -9%, Plains GP Holdings (PAGP) -6%

Williams, our only general partner to report September results so far, announced disappointing numbers, but reaffirmed its 15% annual dividend growth forecasts.

Targa Resources (TRGP) agreed to acquire Atlas Energy (ATLS), the general partner of MLP Atlas Pipeline Partners (APL), along with APL itself. When the deal is done; Targa will end up with ATLS Energy, and Targa's MLP, Targa Resources Partners (NGLS), will own APL.

In dividend news, Targa Resources raised its quarterly dividend by 6%, Plains GP increased its payout by 4%, and Oneok raised its dividend by 3%.

## OIL INDUSTRY

**PORTFOLIO RETURNS: LAST MONTH +0.5%, YEAR TO DATE -18.8%**

**BEST:** Chevron (CVX) +1%

Chevron reported September quarter earnings 15% above year-ago. Production dropped slightly, but higher refining and marketing margins made up the difference.

## PARTNERSHIPS: EX-ENERGY

**PORTFOLIO RETURNS: LAST MONTH -2.5%, YEAR TO DATE +2.6%**

**BEST:** Macquarie (MIC) +7%, Icahn Enterprises (IEP) -0%

**WORST:** Carlyle (CG) -9%, Capital Products (CPLP) -8%

Macquarie Infrastructure recorded strong September quarter growth in all categories. Blackstone Group (BX) also announced good growth numbers, but not as strong as in prior quarters. Carlyle reported modest growth, and Capital Products Partners announced mixed results.

### Sell Carlyle Group

Despite reporting okay growth numbers, Carlyle Group's unit (share) price seems to only want to go down. Perhaps another example of a good company, but a bad stock.

## REAL ESTATE INVESTMENT TRUSTS (REITs)

**PORTFOLIO RETURNS: LAST MONTH +9.8%, YEAR TO DATE +22.1%**

**BEST:** STAG Industrial (STAG) +18%, QTS Realty (QTS) +16%

**WORST:** United Devlp. (UDF) -1%, Hannon Armstrong. (HASI) +1%

Blackstone Mortgage Trust (BXMT), EPR Properties (EPR), Omega Healthcare Investors (OHI), and QTS Realty all reported strong September quarter growth, while Home Properties (HME) and STAG reported more modest, but still okay numbers. Home said it intends to focus on buying and upgrading existing apartment communities, rather than developing new properties, a change that should improve future results.

Omega Healthcare agreed to acquire skilled nursing facility property owner Aviv REIT (AVIV) for \$3 billion of Omega stock. Aviv owns 312 properties with 26,520 beds in 29 states, compared to 562 properties with 63,532 beds in 37 states for Omega.

Hannon Armstrong hiked its dividend by 18%, while Omega Healthcare and STAG Industrial both upped their payouts by 2%.

Hannon Armstrong invested \$110 million in a portfolio of 10 wind-powered electricity generating projects. To help finance the deal, Hannon sold 4.6 million new shares at \$13.60 per share.

## REGIONAL BANKS

**PORTFOLIO RETURNS: LAST MONTH +1.7%, YEAR TO DATE +0.5%**

**BEST:** Valley National (VLY) +3%

**WORST:** New York Community (NYCB) +1%

Both of our banks announced September quarter results and both reported strong loan and deposit growth, but lower net interest margins squashed earnings.

## UTILITIES

**PORTFOLIO RETURNS: LAST MONTH +3.4%, YEAR TO DATE +15.3%**

**BEST:** Westar Energy (WR) +11%, NextEra (NEE) +7%

**WORST:** Pattern Energy (PEGI) -7%, CenterPoint (CNP) +0%

Next Era Energy and Pattern Energy announced good (for utilities)

September quarter results. Dominion Resources (D), on the other hand, blamed unusually warm summer weather for its below year-ago numbers.

On the other side of that coin, Dominion Resources new MLP, Dominion Midstream Partners (DM), sold 17.5 million new units at \$21 per unit in its IPO. Dominion Resources owns the general partner of Dominion Midstream and 73% of its common units. This could be a big deal for Dominion.

In dividend news, Pattern Energy increased its quarterly dividend by 2%, which was 7% above its year-ago payout. Even better, analysts are forecasting accelerating dividend growth for next year.

## DIVIDEND SPECULATORS

**PORTFOLIO RETURNS: LAST MONTH +2.9%, YEAR TO DATE +2.4%**

**BEST:** Sun Communities (SUI) +15%, Digirad (DRAD) +9%

**WORST:** Intersil (ISIL) -7%, Costamare (CMRE) -5%

Sun Communities reported strong September quarter results but forecast lower numbers for its December quarter. Costamare and Digirad reported so-so numbers and Intersil announced disappointing results.

### New Pick

Arlington Asset Investment (AI) invests in residential mortgages, mostly secured by U.S. government agencies such as Fannie Mae and Freddie Mac. Similar to other mortgage investors, Arlington is paying a high dividend yield, currently 12.9%. However, unlike other mortgage investors, Arlington is NOT a REIT, it's a corporation. Thus its dividends are qualified, meaning that they are taxed at 15%/20% rates, not ordinary rates as is the case for mortgage REITs. Arlington has a checkered past and is a small-cap (\$634 million), so it's riskier than bigger players. See the Background section online under Company Analysis for details.

### Sell Navios

Given the shape of its price chart, Navios (NM) may have further to drop before it bottoms. We like Navios long-term, but we'll probably have an opportunity to get in cheaper.

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## CANADA STOCKS

**PORTFOLIO RETURNS: LAST MONTH +2.6%, YEAR TO DATE +15.0%**

**BEST:** Morneau Shepell (MSI.TO) +4%

**WORST:** Student Trans. (STB) +2%

Morneau Shepell sold its clinic-based occupational health business that provided medical services in remote areas, complex environmental settings, and off-site locations. Morneau said that the impact of the sale on its earnings would be immaterial.

*Thanks for subscribing.*

*Harry Domash*

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**Breaking News**

affecting DD Stocks  
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## DIVIDEND HOTSHOTS

HIGH DIVIDEND PAYERS WITH SOLID DIVIDEND GROWTH TRACK  
RECORDS THAT ARE EXPECTED TO CONTINUE THEIR WINNING WAYS.

	Yld.	Ann. Div.		Yld.	Ann. Div.
AHGP .... Alliance Holdings GP .....	5.1	3.57	NHI .....	4.6	3.08
ARLP .... Alliance Resource Partners .....	5.2	2.55	ORI .....	5.0	0.73
APU .....	7.6	3.52	OHI .....	5.4	2.08
T .....	5.3	1.84	OLP .....	6.5	1.48
BGS .....	4.7	1.36	OKS .....	6.1	3.10
FUN .....	5.9	2.80	ORIT .....	4.8	0.70
DPM .....	5.9	3.08	PBCT ....	4.5	0.66
DLR .....	4.9	3.32	PAA .....	4.7	2.64
DFT .....	4.6	1.40	O .....	4.7	2.20
EPB .....	6.5	2.60	SNH .....	7.0	1.56
EEP .....	6.1	2.22	SPH .....	7.8	3.50
EXLP .....	8.1	2.21	<b>TAL .....</b>	<b>6.7</b>	<b>2.88</b>
<b>GLP .....</b>	<b>6.5</b>	<b>2.61</b>	NGLS ....	5.2	3.19
HCP .....	5.0	2.18	TCP .....	5.2	3.36
HEP .....	6.1	2.09	TLP .....	7.1	2.66
KMP .....	6.0	5.60	WTI .....	4.6	0.40
LTC .....	4.8	2.04	WPZ .....	7.1	3.71
MWE ....	5.1	3.56	WPC .....	5.5	3.76
MMLP ....	9.2	3.25			

**Bolded:** "Buy" rated in our Managed Portfolios

See the Premium Members website for returns of earlier Hotshot portfolios.

News & Analysis Affecting Your D.D. Stocks • Dividend Detective *Breaking News*  
Updated Multiple Times Daily • Accessed from Premium Members Homepage  
[DividendDetective.com/subs](http://DividendDetective.com/subs)

## CORPORATE BONDS

Here are 12 bonds divided into four categories: Conservative, Aggressive, Speculative, and "Walk on the Wild Side." For the first three categories, the bonds were culled from a database of bonds rated investment quality by Standard & Poor's. Bonds in the "Walk on the Wild Side" category are either below investment grade (junk) or not rated.

A deleted listing is not necessarily a "sell" signal. It means that the bond may not be currently available to new buyers, or that we have found a more attractive alternative.

KEY

Name shown in *italics*: New listing

NR = Not Rated

Rating in green = recent rating upgrade

Rating in red = recent rating downgrade

Rating	CUSIP	Company	Maturity Date	Recent Price	Coupon	Yield to Maturity
<b>Conservative</b>						
AAA	931142DC4	Wal-Mart Stores	4/15/16	\$103.3	2.800	0.5
AA+	369604BC6	General Electric Co.	12/6/17	\$111.5	5.250	1.4
AA	931142CU5	Wal-Mart Stores	7/8/20	\$106.6	3.625	2.4
<b>Aggressive</b>						
A-	61747YCT0	Morgan Stanley	11/2/15	\$102.1	3.450	1.3
A-	073902PN2	Bear Sterns	1/22/17	\$108.8	5.550	1.5
A-	61744YAD0	Morgan Stanley	12/28/17	\$112.2	5.950	1.9
<b>Speculative</b>						
BB+	459745GM1	International Lease Fin.	4/1/15	\$101.5	4.875	1.3
BBB+	172967DY4	Citigroup	2/15/17	\$108.8	5.500	1.5
BBB-	50075NAV6	Kraft Foods	8/23/18	\$114.7	6.125	2.5
<b>Walk on the Wild Side</b>						
BB-	832248AQ1	Smithfield Foods	7/1/17	\$111.2	7.750	3.3
BB	780153AR3	Royal Caribbean Cruises	6/15/16	\$107.8	7.250	2.3
BB	02005NAR1	Ally Financial	9/10/18	\$106.3	4.750	3.0

## DIVIDEND DETECTIVE SAMPLE (MODEL) PORTFOLIOS

Four Portfolios, each with seven stocks/funds, tailored to your investing goals

**Port #1 Monthly Payers:** diversified portfolio providing monthly income

**Port #2 Conservative:** minimizing risk is priority #1

**Port #3 Growth & Income:** high-dividend growth stocks

**Port #4 High-Yield/Speculative:** take a walk on the wild side for highest potential returns

See Premium Members Site for historical returns

### How to Use these Portfolios

- Pick one or more portfolios consistent with your investing needs
- Invest equal dollar amounts in each of the seven picks
- Don't cherry pick

#### Key

**New:** Addition to portfolio

**Delete (Sample Port Only):** Delete from Sample Portfolio only (not Industry/Specialty portfolio)

**Do Not Add:** Do not add to positions (not a sell)

**SELL:** Applies to Sample and Industry/Specialty portfolios

#### #1: Monthly Payers

		<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Div. Yield</u>
EPR	EPR Properties	REITs (Entertainment Properties)	56.1	6.1%
STAG	STAG Industrial	REITs (Industrial Properties)	24.4	5.4%
MAIN	Main Street Financial	Business Development Corp.	31.8	8.1%
PFF	iShares S&P U.S. Preferred	ETF (Preferred Stocks)	39.8	5.8%
UTG	Reeves Utility Income	Closed-End Fund (Utilities & Telecom)	30.9	5.3%
BBEPP	BreitBurn Energy 8.25% A	Preferred Stock	24.7	8.4%
CEN	Center Coast MLP & Infrastructure	Closed-End Fund (MLPs)	19.3	6.5%

#### #2: Conservative

		<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Div. Yield</u>
<b>ACG</b>	<b>Alliance Bernstein Income New</b>	Closed-End Fund (Invest Grade Debt)	7.6	5.4%
GEB	General Electric 4.875%	Preferred (Conglomerate)	24.9	4.9%
GPC	Genuine Parts	Mfg/Services (Industrial Distributor)	97.1	2.4%
<del>VTA</del>	<del>Invesco Dynamic Credit SELL</del>	Closed-End Fund (Floating Rate Credit)	12.0	7.5%
JPM	JPMorgan Chase	Large Banks	60.5	2.6%
KRFT	Kraft Foods	Mfg/Services (Packaged Foods)	56.4	3.9%
MIC	Macquarie Infrastructure	Partnerships Ex-Energy (taxed as corp.)	71.6	5.5%
OHI	Omega Healthcare	REITs (Healthcare Properties)	38.2	5.3%

#### #3: Growth & Income

		<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Div. Yield</u>
<b>ABBV</b>	<b>AbbVie New</b>	Mfg/Services (Pharma)	63.5	3.1%
BXMT	Blackstone Mortgage Tr.	REITs (Commercial Prop. Lender)	27.9	7.2%
FL	Foot Locker	Mfg/Services (Retail)	56.0	1.6%
HQL	Tekla (H&Q) Life Sciences	Closed-End Fund (Biotech & Pharma)	24.1	7.5%
IEP	Icahn Enterprises	Partnerships Ex-Energy (Activist Investing)	105.6	5.7%
<del>JNJ</del>	<del>Johnson &amp; Johnson SELL</del>	Mfg/Services (Pharma)	107.8	2.6%
QTS	QTS Realty Trust	REITs (Data Centers)	35.2	3.3%
TRGP	Targa Resources	Energy General Partners	128.6	2.3%

#### #4: High Yield/Speculative

		<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Div. Yield</u>
<b>AI</b>	<b>Arlington Asset Mgmt. New</b>	Speculators (Mortgage Finance)	27.4	12.9%
<del>EPLP</del>	<del>Capital Products Prt. Delete (Sample Port Only)</del>	Partnerships Ex-Energy (Shipping, taxed as corp.)	9.2	10.1%
DSX-B	Diana Shipping Series B	Preferred (Dry-Bulk Ships)	26.0	8.5%
FLC	F&C Total Return	Closed-End Fund (Preferreds & Bonds)	20.1	8.1%
ISIL	Intersil	Speculators (Semiconductors)	13.3	3.1%
KYN	Kayne Anderson MLP	Closed-End Fund (MLPs)	39.5	6.6%
NTI	Northern Tier Energy	Speculators (Oil Refiner)	15.2	10.9%
UDF	United Development Funding	REITs (Residential Develop. Finance)	19.5	8.4%

Information believed correct, but accuracy not guaranteed. Investing in stocks and/or funds involves risk. Readers should not assume that recommendations will be profitable or will equal the performance of past recommendations. Before investing, consult with a financial advisor to determine if the stocks and/or funds described here are suitable investments for you.

# DIVIDEND MONSTERS

## The 50 highest dividend yielding of the 800 stocks on the Big List

**Do Your Due Diligence** - The estimated yields may be based on special dividends that will not be repeated. Verify all data before taking action. Unless appearing in our industry portfolios (shown in **bold**), we have no buy/sell recommendation on these stocks or funds.

\*x.xxx: High Dividend Cut Risk

Ticker		Estimated Annual Dividend \$	Estimated Annual Yield %	Freq.
WMC	Western Asset Mortgage Capital	2.800	18.6	Q
ORC	Orchid Island Capital	2.160	15.5	M
ARR	ARMOUR Residential REIT	0.600	15.2	M
RSO	Resource Capital	0.800	15.2	Q
ARP	Atlas Resource Partners	2.359	14.9	M
PSEC	Prospect Capital	1.327	14.0	M
NYMT	New York Mortgage Trust	1.080	13.8	Q
EFC	Ellington Financial	3.080	13.7	Q
FULL	Full Circle Capital	0.804	13.5	M
OAKS	Five Oaks Investment	1.500	13.5	M
LRE	LRR Energy	<b>*1.990</b>	<b>13.5</b>	Q
CYS	CYS Investments	1.200	13.4	Q
TICC	TICC Capital	1.160	13.3	Q
MTGE	American Capital Mortgage Investment	2.600	13.2	Q
KCAP	KCAP Financial	1.000	13.2	Q
APO	Apollo Global Management	2.920	12.9	Q
MCC	Medley Capital	1.480	12.9	Q
NSLP	New Source Energy Partners	<b>*2.340</b>	<b>12.8</b>	Q
ARCP	American Realty Capital Properties	1.000	12.7	M
AI	Arlington Asset Investment	3.500	12.7	Q
MITT	AG Mortgage Investment Trust	2.400	12.5	Q
FSC	Fifth Street Finance	1.100	12.3	M
EARN	Ellington Residential Mortgage REIT	2.200	12.3	Q
IVR	Invesco Mortgage Capital	2.000	12.1	Q
DX	Dynex Capital	1.000	11.9	Q
BBEP	BreitBurn Energy Partners	<b>*2.010</b>	<b>11.7</b>	M
QRE	QR Energy	1.950	11.7	M
AGNC	American Capital Agency	2.640	11.7	M
LINE	Linn Energy	<b>*2.899</b>	<b>11.6</b>	M
CIM	Chimera Investment	0.360	11.5	Q
NRP	Natural Resource Partners	1.400	11.4	Q
HLSS	Home Loan Servicing Solutions Ltd	2.160	11.3	M
PWE	Penn West Petroleum Ltd	<b>*0.5020</b>	<b>11.3</b>	Q
PMT	PennyMac Mortgage Investment Trust	2.440	11.3	Q
NRZ	New Residential Investment	1.400	11.3	Q
MEMP	Memorial Production Partners	<b>*2.200</b>	<b>11.0</b>	Q
CTCM	CTC Media	0.700	11.0	Q
SRV	Cushing MLP Total Return Fund	0.900	11.0	Q
WHF	WhiteHorse Finance	1.420	10.9	Q
CHMI	Cherry Hill Mortgage Investment	2.040	10.8	Q
ANH	Anworth Mortgage Asset	0.560	10.8	Q
LGCY	Legacy Reserves	<b>*2.440</b>	<b>10.8</b>	Q
CMO	Capstead Mortgage	1.360	10.7	Q
MCEP	Mid-Con Energy Partners	<b>*2.060</b>	<b>10.7</b>	Q
NMM	Navios Maritime Partners	1.770	10.7	Q
AMTG	Apollo Residential Mortgage	1.760	10.6	Q
TCRD	THL Credit	1.360	10.6	Q
HTS	Hatteras Financial	2.000	10.5	Q
HCAP	Harvest Capital Credit	1.350	10.5	M
CCG	Campus Crest Communities	0.660	10.4	Q
RIG	Transocean	<b>*3.000</b>	<b>10.4</b>	Q



## DIVIDEND DETECTIVE AT A GLANCE

*How did we come up with these ratings? See the portfolio write-ups on the Premium Members site to find out.*

Name	Ticker	Yld.	Rec.	Name	Ticker	Yld.	Rec.
<b>PREFERRED STOCKS</b>				<b>MANUFACTURING &amp; SERVICES</b>			
Allstate 6.625% Series E	ALL-E	6.3%	BUY	<b>AbbVie</b>	<b>ABBV</b>	3.1%	<b>BUY</b>
American Financial 6.375% Senior	AFW	6.1%	BUY	Cinemark Holdings	CNK	2.8%	BUY
Annaly Capital Mgmt. 7.625% C	NLY-C	7.7%	BUY	Cisco Systems	CSCO	3.1%	BUY
Apollo Commercial 8.625% A	ARI-A	8.3%	BUY	Cogent Communications	CCOI	3.5%	BUY
Aspen Insurance 7.25% Perpet.	AHL-B	6.8%	BUY	Covanta Holding	CVA	4.5%	BUY
Atlas Pipeline 8.25% Series E	APL-E	7.9%	BUY	Foot Locker	FL	1.6%	BUY
BreitBurn Energy 8.25% Series A	BBEPP	8.4%	BUY	Genuine Parts	GPC	2.4%	BUY
Diana Shipping 8.875% Series B	DSX-B	8.5%	BUY	Johnson & Johnson	JNJ	2.6%	<b>SELL</b>
Endurance Specialty 7.50% B	ENH-B	7.0%	<b>SELL</b>	Kraft Foods Group	KRFT	3.9%	BUY
General Electric 4.875% Notes	GEB	4.9%	BUY	Six Flags Entertainment	SIX	5.2%	BUY
Goodrich Petroleum 10.0% Series C	GDP-C	11.2%	<b>SELL</b>	Target	TGT	3.4%	BUY
<b>Invesco Mortgage 7.75% B</b>	<b>IVR-B</b>	8.1%	<b>BUY</b>	<b>REGIONAL BANKS</b>			
Kimco Realty 5.50% J	KIM-J	5.8%	BUY	New York Community Bank	NYCB	6.3%	BUY
Lexington Realty Trust 6.50% Series C	LXP-C	6.6%	BUY	Valley National Bancorp	VLY	4.4%	BUY
Maiden Holdings 8.00% Notes	MHNB	7.6%	BUY	<b>LARGE BANKS</b>			
Navios Maritime 8.75% Services G	NM-G	8.9%	BUY	JPMorgan Chase	JPM	2.6%	BUY
NorthStar Realty 8.875% Series C	NRF-C	8.6%	BUY	Wells Fargo	WFC	2.6%	BUY
PartnerRe 5.875% Series F	PRE-F	5.9%	BUY	<b>REAL ESTATE INVESTMENT TRUSTS</b>			
Pennsylvania REIT 8.25% A	PEI-A	7.8%	BUY	Blackstone Mortgage Trust	BXMT	7.2%	BUY
Protective Life 6.25% Debentures	PL-C	6.0%	BUY	EPR Properties (Entertainment Properties Tr.)	EPR	6.1%	BUY
<b>Qwest Corp. 6.875%</b>	<b>CTV</b>	6.7%	<b>BUY</b>	Hannon Armstrong	HASI	+7.4%	BUY
Qwest Corp. 7.50%	CTW	7.0%	<b>SELL</b>	Home Properties	HME	4.5%	BUY
Seaspan 8.25% E	SSW-E	7.9%	BUY	Hospitality Properties Trust	HPT	6.6%	BUY
SLM (Sallie Mae) Series A 6.97%	SLMAP	7.1%	BUY	Omega Healthcare investors	OHI	+5.3%	BUY
Summit Hotel 7.875% Series B	INN-B	7.3%	BUY	Physicians Realty Trust	DOC	5.9%	BUY
Teekay Offshore Partners 7.25% A	TOO-A	7.0%	BUY	QTS Realty Trust	QTS	3.3%	BUY
Vornado Realty 5.70% K	VNO-K	5.8%	BUY	STAG Industrial	STAG	+5.4%	BUY
<b>CLOSED-END FUND MONTHLY INCOME</b>				United Development Funding	UDF	8.4%	BUY
AllianceBernstein Glb. High Income	AWF	7.2%	BUY	<b>MLP GENERAL PARTNERS</b>			
Alliance Bernstein Income Fund	ACG	5.4%	BUY	Oneok	OKE	+4.0%	BUY
CBRE Clarion Global Real Estate	IGR	6.1%	BUY	Plains GP Holdings	PAGP	+2.7%	BUY
Dreyfus High Yield Strategies	DHF	8.7%	BUY	Spectra Energy	SE	3.4%	BUY
F&C/Claymore Preferred	FLC	8.1%	BUY	Targa Resources Corp.	TRGP	+2.3%	BUY
Guggenheim Strategic Opp	GOF	10.2%	BUY	Williams	WMB	4.0%	BUY
Invesco Dynamic Credit Opp	VTA	7.5%	<b>SELL</b>	<b>ENERGY PARTNERSHIPS (MLPs)</b>			
<b>CEF GROWTH OPPORTUNITIES</b>				Calumet Specialty Products	CLMT	10.2%	BUY
Gabelli Multimedia	GGT	9.2%	BUY	Compressco Partners	GSJK	+9.5%	BUY
Tekla (H&Q) Life Sciences	HQL	7.5%	BUY	Emerge Energy Services	EMES	+6.2%	<b>SELL</b>
Kayne Anderson MLP	KYN	6.6%	BUY	Global Partners	GLP	+6.4%	BUY
Liberty All-Star Growth	ASG	6.2%	BUY	Summit Midstream Partners	SMLP	+4.6%	BUY
Reeves Utility Income (moved from CEF Monthly)	UTG	5.3%	BUY	<b>PARTNERSHIPS EX-ENERGY</b>			
<b>CANADA Stocks</b>				America First Multifamily	ATAX	8.6%	BUY
Morneau Shepell	MSI.TO	4.7%	BUY	Blackstone Group	BX	-6.4%	BUY
Student Transportation	STB.TO/STB	7.9%	BUY	Carlyle Group	CG	7.5%	<b>SELL</b>
<b>DIVIDEND SPECULATORS</b>				Capital Product Partners	CPLP	10.1%	BUY
<b>Arlington Asset Management</b>	<b>AI</b>	12.9%	<b>BUY</b>	Icahn Enterprises	IEP	5.7%	BUY
CenturyLink	CTL	5.2%	BUY	Macquarie Infrastructure	MIC	5.5%	BUY
Costamare	CMRE	5.4%	BUY	<b>UTILITIES</b>			
Digirad	DRAD	4.7%	BUY	CenterPoint Energy	CNP	3.9%	BUY
Intersil	ISIL	3.6%	BUY	Dominion Resources	D	3.4%	BUY
Navios Maritime Holdings	NM	4.1%	<b>SELL</b>	NextEra Energy	NEE	2.9%	BUY
Northern Tier Energy	NTI	10.9%	BUY	NRG Yield	NYLD	3.0%	BUY
Sun Communities	SUI	4.5%	BUY	Pattern Energy Group	PEGI	+4.7%	BUY
<b>ETF MONTHLY INCOME</b>				Westar Energy	WR	3.7%	BUY
iShares High Yield Corporate	HYG	5.7%	BUY	<b>BUSINESS DEVELOPMENT CORPS</b>			
iShares Invest. Grade Corporate	LQD	3.5%	BUY	Hercules Technology Growth	HTGC	7.9%	BUY
iShares JPM Emerging Mkts.	EMB	4.2%	BUY	Main Street Capital	MAIN	+8.1%	BUY
iShares S&P U.S. Preferred	PFF	5.8%	BUY	Triangle Capital Resources	TCAP	8.5%	BUY
PShares Senior Loan Portfolio	BKLN	4.1%	<b>SELL</b>	<b>INSURANCE</b>			
<b>OIL</b>				Arthur J. Gallagher	AJG	3.0%	BUY
Chevron	CVX	3.6%	BUY	Cincinnati Financial	CINF	3.5%	BUY

### How Do We Arrive at Our Buy/Sell Decisions?

It's all on our Premium Members website, including a summary of each stock's quarterly reports and our analysis.

[DividendDetective.com/subs](http://DividendDetective.com/subs)

+x.x% = dividend hike, -x.x% = dividend cut

**Bold:** New pick or changed recommendation • DNA: Do Not Add