



DIVIDEND DETECTIVE HIGHLIGHTS

DIVIDENDDETECTIVE.COM

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Welcome to the October 2012 Edition of Dividend Detective Highlights

Highlights includes the most popular features of Dividend Detective: the Monthly Commentary, Sample Portfolios, the Top 50 Highest Dividend Yielding Stocks, the Dividend Scoreboard, Dividend Hotshots, and “D.D. At a Glance,” which lists all followed stocks and funds, including current yields and our buy/sell recommendations.

Important Info on Premium Members Site

Highlights includes **only a smattering of the information available to Premium subscribers on the Dividend Detective site.** Although we give you our buy/sell recommendations in Highlights, we don’t have room to fill you in on our analysis that led to those ratings. However, that important information is readily available for each stock or fund in its home portfolio on the Premium Members site.

Thus, for best results, use Highlights as a guide to point to specific sections of the Premium site that interest you.

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Question & Comments

For comments or questions about Dividend Detective contents, please contact us directly at (800) 276-7721 or by e-mail at: support@dividenddetective.com.

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.

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October 2012 Commentary

Review of September 2012 Results and This Month's Changes

REASONABLY GOOD MONTH FOR DIVIDEND STOCKS

With 16 of our 19 Industry & Specialty portfolios recording gains, September was a reasonably good month for dividend stocks. The overall market as measured by the S&P 500 returned 2% for the month and 13 of our Industry & Specialty portfolios met or beat that number.

Looking at our Sample (Model) portfolios, Growth & Income, up 5%, did the best. High Yield/Speculative averaged a 2% return and Conservative gained 1%.

Getting back to our Industry & Specialty portfolios, Business Development Corporations, up 9%, did the best. U.S. Real Estate Investment Trusts (REITs) and Canadian stocks, both down 2%, were the losers. Here's the complete list.

<u>Portfolio</u>	<u>Avg. Return%</u>
Business Development Corps.	9%
Partnerships: Ex-Energy	8%
Energy: General Partners	8%
Regional Banks	6%
Canada Energy	6%
Partnerships: Energy	4%
Large Banks	3%
Utilities	3%
Dividend Speculators	2%
Manufacturing & Services	2%
Insurance Industry	2%
Rural Telecom	2%
Closed-End Funds	2%
Preferred Stocks	1%
ETF Monthly Income	1%
Canada Real Estate Investment Trusts	1%
Oil Industry	0%
US Real Estate Investment Trusts	-2%
Canada Stocks Ex-Energy	-2%

What Happened?

Despite improving fundamentals, this was the second down month in a row for REITs. Thus, it appears that hedge funds and other market movers are rotating out of that category. We're continuing to advise adding to positions in all of our followed REITs.

Besides for REITs, the market continued to ignore the economic slowdowns in Europe and China, a potential crisis over Iran's nuclear program, and our own dysfunctional government.

What's Next?

The market has exhibited an upward bias since June and we expect that momentum to continue to year's end.

Predict the Future?

Special dividends are unexpected one-time payouts. Our Special Dividend report on the Premium Members site lists recently announced special dividends that in our view, are large enough to be investable. However, since the share price pops on the announcement, and then drops on the date you're eligible to collect the dividend (ex-dividend date), making money on these trades is more art than science.

That said, profiting from special dividends would be easier if you could predict stocks that are going to pay specials before the announcement. We're attempting to do that on our new "Future Special Dividend Suspects" page.

Portfolio Changes

In our Sample Portfolios, we're replacing one underperforming pick in the Conservative portfolio. Also, on the assumption that the market will remain strong, we're replacing one relatively conservative pick in High Yield/Speculative with another that should outperform in a strong market.

In our Closed-End Fund portfolio, we're replacing one fund focusing on global equity and debt plays with a better performer in the same sector.

Business Development Corporations (BDCs) have been strong lately and we're adding a new pick in that category with good dividend growth prospects, and is already paying 10.4% yield.

We're assuming that crude oil prices are not headed higher anytime soon. So, we're replacing one pick in our Oil Industry portfolio to refocus the portfolio to capitalize on that thesis. Here are the details.

SAMPLE PORTFOLIOS

We offer three 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, 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 additional funds available.

Conservative Portfolio (0.6% return)

Not a lot of movement last month. Philip Morris International (PM), up 2%, did the best. Closed-end fund John Hancock Premium Dividend (PDT), down 1%, was the biggest loser.

We're replacing John Hancock with another closed-end fund, First Trust /Aberdeen Emerging Opportunity (FEO), which focuses on emerging market stocks and debt. There's nothing wrong with the John Hancock fund, which is still buy-rated in its home portfolio (Closed-End Funds). However the Sample Portfolios are supposed to be our "best ideas," and emerging markets are currently a stronger category than utility stocks and preferreds, which are John Hancock's focus.

Growth & Income Portfolio (4.7% return)

Targa Resources (TRGP), up 11%, did the best, while SeaCube Container Leasing (BOX), at breakeven, was the laggard.

High Yield/Speculative Portfolio (2.2% return)

Triangle Capital Resources (TCAP), up 7%, was the leader. SeaDrill (SDRL), down 3%, was our only loser.

We're replacing Ashford Hospitality Preferreds (AHT-E) with closed-end fund Nuveen Diversified Dividend & Income (JDD), which pays an 8.2% yield. We're making the change because we're expecting a relatively strong market for the next few months. If that happens, the Nuveen fund, which invests in both U.S. and foreign stocks and debt, will outperform the Ashford preferreds, which return a steady 1% or so per month, no matter what the market does. The Ashford preferreds are still buy-rated in their home (Preferreds) portfolio.

PREFERRED STOCKS

Our preferreds returned 1.0%. Maiden Holdings (MHNB), up 5%, and Lexington Realty (LXP-C), up 3%, did the best. Endurance Specialty (ENH-B), down 2%, did the worst.

As usual for preferreds, there was no news to account for any particular preferred's price action.

Don't Adds

Citigroup Capital XVII 6.35% (C-E) and Merrill Lynch Capital Trust II 6.45% (MER-M) preferreds are trading close to their call price and could be called at any time. There's no point in adding to positions at those prices.

KKR Financial Holdings 8.375% Senior Notes (KIM-J) are trading 12% above their call price. We'd like to see them come down in price before adding to positions.

CLOSED-END FUNDS

Our funds averaged a 1.6% return. First Trust/Aberdeen Emerging (FEO), up 7%, did the best. Delaware Enhanced Global Dividend (DEX), down 7%, did the worst.

Looking at the underlying net asset values (per-share value of fund's holdings), the portfolio returned 1.4%. By that measure, First Trust/Aberdeen Emerging Opportunities and Kayne Anderson Energy (KYE), both up 3%, did the best. Alliance Bernstein Income (ACG), at breakeven, was the laggard.

The Delaware fund's 27% dividend cut, announced at the beginning of the month, triggered its price drop.

Reacting to the dividend cut, last month we advised against adding to positions in Delaware Enhanced Global Dividend while we evaluating its outlook compared to other global funds.

Replace Delaware With Nuveen

This month, we're replacing Delaware in the portfolio with the Nuveen Diversified Dividend and Income Fund (JDD), which, like Delaware, holds a blend of U.S. and foreign stocks and debt. Although nominally similar, the Nuveen fund has substantially outperformed Delaware Enhanced Global. Nuveen has returned 37% over the past 12-months and 20%, on average, annually, over the past three years. By comparison, Delaware's numbers are 16% and 11% for the same periods. Nuveen is paying an 8.2% dividend yield compared to 8.0% for Delaware.

ETF MONTHLY INCOME (EXCHANGE-TRADED FUNDS)

Our Monthly Income portfolio averaged a 0.9% return. iShares Emerging Markets (EMB), up 1.8%, did the best. Vanguard Total Bond (BND), up 0.2%, trailed the pack.

Last month's action was within our 0.7% to 1.0% monthly return expectations for this portfolio.

CORPORATE BONDS

Most of our bonds moved up 1%-2% in terms of trading price last month, reducing the yields to new money. One exception was AA+ rated GE Capital Internotes 5.125%, which dropped about 2% to \$111.30, bringing the yield to their April 2019 maturity up to 3.2%, which is high for an AA+ bond.

We're making two changes to our portfolios this month. In both cases, we're replacing bonds maturing in 12-months or so with similar bonds maturing one-year later.

In **Speculative**, we're replacing the R.J. Reynolds 9.250% notes due in August 2013 with BBB- rated International Lease Finance 5.050% that is yielding 3.1% to its May 2014 maturity.

In "**Walk on the Wild Side**" we're replacing BB+ rated Royal Bank of Scotland 5.000% maturing November 2013 with Royal Bank of Scotland 5.000%, also rated BB+, that is yielding 3.9% to its October 2014 maturity.

BUSINESS DEVELOPMENT CORPORATIONS (BDCs)

Our portfolio returned 9%. Main Street Capital (MAIN) gained 12% and Triangle Capital (TCAP) returned 7%.

New Pick

We're adding KCAP Financial (KCAP) to the portfolio. Formerly Kohlberg Capital, KCAP makes loans to, and takes equity interests in smaller middle-market firms. But it also manages funds that group loans into packages (CLOs) for sale to large investors. It's this business that KCAP expects to drive cash flow and dividend growth for the next year or so. KCAP Financial is paying a 10.4% yield and we expect at least 10% annual dividend growth.

ENERGY: GENERAL PARTNERS

Our general partners returned 8%. Crosstex Energy (XTXI), up 13%, and Targa Resources (TRGP), up 11%, and Williams (WMB), up 8%, were the winners. Kinder Morgan (KMI), down 1%, was our only loser.

Investment funds affiliated with Goldman Sachs, Carlyle Group

and Riverstone Holdings sold 67 million Kinder Morgan shares at \$34.51 per share, which probably accounts for Kinder's price drop last month. Kinder did not receive any of the proceeds.

PARTNERSHIPS: ENERGY (MASTER LIMITED PARTNERSHIPS)

Our partnerships averaged a 4% return. Calumet Specialty Products (CLMT), up 12%, and PAA Natural Gas Storage (PNG), up 6%, did the best. Crestwood Midstream Partners (CMLP), down 3%, was our only loser.

Calumet completed its acquisition of Montana Refining Company, which owned a refinery in Great Falls, Montana that produces gasoline, middle distillates and asphalt that it marketed in Washington, Montana, Idaho and Alberta, Canada. Calumet expects the deal to immediately begin adding to cash flow.

INSURANCE INDUSTRY

Our insurance companies returned 2%. OneBeacon Insurance (OB), up 6%, and Arthur J. Gallagher (AJG), up 1%, were the winners. Cincinnati Financial (CINF), down 1%, was the loser.

In the news, continuing its aggressive expansion into the U.K., Arthur J. Gallagher acquired a retail insurance broker in Chelmsford, England that serves the housing association sector.

LARGE BANKS

Our large banks returned 3%. Bank of Nova Scotia (BNS) gained 5% and Canadian Imperial Bank (CM) returned 2%.

In the news, Bank of Nova Scotia raised \$1.7 billion by selling 33 million new shares at \$52.00.

MANUFACTURING & SERVICES

Our portfolio returned 2%. Computer Programs & Systems (CPSI), up 10%, and Verizon Communications (VZ), up 6%, did the best. Microchip Technology (MCHP), down 6%, and Genuine Parts (GPC), down 3%, were the biggest losers.

B&G Foods (BGS) bought the New York Style (Bagel Crisps) and Old London brands (Melba Toasts, etc.) for \$62.5 million in cash. The deal, which should hike B&G revenues by 8%, includes a manufacturing plant with 250 employees. B&G expects the acquisition to close in its December quarter and to immediately begin adding to cash flow. To help pay for the deal, B&G plans to sell 4.2 million shares at \$30.25 per share.

Foot Locker (FL) made a deal with Macy's to open 450 leased departments in Macy's stores. Foot Locker will also fulfill Macy's online orders for athletic products. Foot Locker expects the deal to add about 5% to sales.

Johnson & Johnson (JNJ) said an experimental treatment for type 2 diabetes proved effective at reducing blood sugar in patients on long-term insulin therapy and at high risk for heart problems. If approved, the drug would be JNJ's first diabetes medicine.

In dividend news, McDonald's (MCD) and Philip Morris International (PM) both raised their quarterly payouts by 10%, while Verizon hiked its dividend by 3%.

In other news, McDonald's reported that August global same store sales (sales at stores open at last 13 months) increased 4% vs. year-ago. Sales in the U.S. and in Europe both rose 3%, while sales in Asia, the Middle East and Africa grew 6%.

OIL INDUSTRY

September was a breakeven month for our Oil portfolio. Chevron (CVX), up 4%, and Valero Energy (VLO), up 1%, were the winners. SeaDrill (SDRL), down 3%, and Royal Dutch Shell (RDS.B), down 1%, were the losers.

A Brazilian court ordered Chevron to stop operating in Brazil as a penalty for its role in an offshore oil spill last year. Originally, Transocean was also included in the order, but, citing the impact on the Brazilian oil industry, a court overturned the injunction on Transocean. Prosecutors are seeking \$20 billion in damages from Chevron and Transocean.

SeaDrill's new MLP, SeaDrill Partners LLC, filed its IPO with the SEC. The new MLP, which will acquire four offshore drilling rigs from SeaDrill, will be organized as a limited liability company and has elected to be treated as a corporation for US federal income tax purposes. Analysts expect the initial impact of the spin-off on SeaDrill, Inc. to be minimal.

SeaDrill is raising \$1.0 billion by selling 5.825% unsecured senior notes due 2017 in a private offering.

Facing financial problems, Chesapeake Energy is selling assets. Chevron bought 246,000 leasehold acres in the Delaware Basin in New Mexico from Chesapeake, and Royal Dutch Shell acquired 618,000 acres in the Permian Basin in West Texas. The acquisitions will increase Chevron's average daily production by about 0.3% and Shell's by about 0.8%.

Overweight Refineries

In our view, crude oil prices are just as likely to head down as up in the coming months. Thus, the outlook for refineries, which do well when oil prices drop, is stronger than the outlook for large integrated oil companies. We are overweighting refineries in the portfolio and underweighting integrated oil.

New Refinery Pick Can't Pay Enough

Our new crude oil refiner, HollyFrontier (HFC), just can't seem to pay its shareholders enough. For the past five quarters, besides for its regular dividend, HollyFrontier has also paid a \$0.50 per share special payout. But even that wasn't enough. During its just completed September quarter, Holly declared two special dividends of \$0.50 each. Its current estimated yield, assuming one special payout per quarter is 6.3%.

Sell Royal Dutch Shell

We're reducing our exposure to integrated oil to one company, Chevron, which, despite its problems in Brazil, is the strongest player. We're selling Royal Dutch Shell.

PARTNERSHIPS: EX-ENERGY

Our partnerships returned 8%. Rentech Nitrogen (RNF), up 14%, did the best. Blackstone Group (BX) gained 6% and America First Tax Exempt (ATAX) returned 5%.

Blackstone announced two major acquisitions. It's buying GCA

Services Group, which employs over 30,000 people and provides janitorial/custodial, facilities operations and maintenance, and grounds management services, to educational institutions and large corporations in the U.S. and Puerto Rico. Blackstone also said it's buying home security systems provider Vivint for \$2 billion.

REAL ESTATE INVESTMENT TRUSTS (REITs)

Our REITs averaged a 2% loss. American Capital Agency (AGNC), up 3%, and Inland Real Estate (IRC), up 1%, were our only winners. Digital Realty Trust (DLR) and Omega Healthcare (OHI), both down 5%, were the biggest losers.

REGIONAL BANKS

Our small banks returned 6%. New York Community (NYB) gained 7% and Valley National (VLY) rose 5%.

Despite their recent strong price action, the short-term fundamental outlook for small banks continues to be weak. We're still advising **against** adding to positions pending review of September quarter numbers.

RURAL TELECOMS

Our portfolio returned 2%. Consolidated Communications (CNSL), up 6%, and Windstream (WIN), up 5%, and Hickory Tech (HTCO), up 1%, were all in the positive column. CenturyLink (CTL), down 3%, was our only loser.

CenturyLink announced a note offering on October 1, and then canceled the sale on October 2. Analysts speculated that bond buyers were concerned that CenturyLink might announce another acquisition, which could trigger a credit rating downgrade on the new notes.

Hickory Tech increased its quarterly dividend by 3.6%.

UTILITIES

Our utilities returned 3%. Oneok (OKE), up 9%, and CenterPoint Energy (CNP), up 5%, did the best. Pepco Holding (POM), down 1%, was our only loser.

Commenting that it gets better returns by serving regulated markets, Dominion (D) is selling three "merchant power stations" that sell electricity on the open market.

DIVIDEND SPECULATORS

Our Speculators returned 2%. Douglas Dynamics (PLOW), up 7%, did the best. Sun Communities (SUI), down 4%, did the worst.

Sun Communities said it was going to sell 3.5 million new shares, which may account for its share price drop. However, Sun hasn't yet announced a price for the new shares.

CANADA STOCKS: ENERGY

Our portfolio returned 6%. Crescent Point Energy (CPG.TO) gained 7% and Baytex Energy (BTE) returned 5%.

Baytex Energy paid \$120 million for a 100% working interest in 46 sections of undeveloped oil sands leases in the Cold Lake area of northeast Alberta.

CANADA STOCKS: EXCLUDING ENERGY

Our Canadian stocks averaged a 2% loss. Morneau Shepell (MSI.TO), and Student Transportation (STB), both up 3%, were the winners. Colabor Group (GCL.TO) dropped 8% and Liquor Stores (LIQ.TO) fell 4%.

Student Transportation reported higher June quarter revenues, but earnings and cash flow numbers came in below year-ago.

Liquor Stores launched a new upscale store concept in Canada called "Wine and Beyond," which will be Western Canada's largest liquor stores. Features include tasting bars, wine education classrooms, and in-store experts. The first two locations opened in Alberta in September.

CANADA REAL ESTATE INVESTMENT TRUSTS

Our REIT portfolio averaged a 1% return in September. Calloway REIT (CWT.UN) gained 2%, but Artis REIT (AX.UN) dropped 1%.

Artis raised \$75 million by selling 3.0 million new preferreds paying 5.25% for \$25.00 per share.

Thanks for subscribing.

Harry Domash

hdomash@dividenddetective.com

DIVIDEND SCOREBOARD

Condensed Version: sorted by one-month returns

Sector	12-Mo % Rtrn	YTD % Rtrn	1-Mo % Rtrn
Partnerships - Excluding Energy	25	22.0	12
Media & Advertising	41	14.0	8
Medical Device & Testing	47	20.0	7
Emerging Markets Ex-China	31	26.0	7
Telecom: Major	36	25.0	6
Pharmaceuticals & Biotech	32	16.0	6
MLP General Partners	48	20.0	6
China Stocks	15	12.0	6
Canada: Energy Refining & Marketing	68	56.0	5
Energy Partners: Misc.	57	35.0	5
Food Processing	28	11.0	5
Banks: Regional	22	4.0	5
Canada: Insurance	8	25.0	4
Retail	38	12.0	4
Business Development Companies	40	28.0	4
Restaurants	32	17.0	4
Insurance	45	27.0	4
Canada: Investment Funds/Trusts	8	5.0	3
Canada: Utilities	1	5.0	3
Real Estate Invest. Trusts: Mortgage	35	28.0	3
Shipping: Dry Bulk & Containers	10	0.0	3
Energy: Exploration & Production	29	11.0	3
Steel	34	-2.0	3
Canada Energy E&P	-7	-24.0	3
Real Estate Invest. Tr: Lumber & Paper	29	19.0	3
Business Services & Products	21	7.0	3
Energy Ptrn: Exploration & Production	15	7.0	3
Utilities	16	5.0	3
Energy Ptrn: Natural Gas Storage	25	32.0	2
Canada: Restaurants	42	31.0	2
Energy Partnerships: Pipelines	26	8.0	2
Shipping: Oil Tankers	-6	13.0	2
Canada Banks	19	13.0	2

DIVIDEND HOTSHOTS

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

		Ann.			Ann.		
		Yld.	Div.		Yld.	Div.	
AHGP	Alliance Holdings GP	5.8	2.79	LTC	LTC Properties	5.9	1.86
ARLP	Alliance Resource Partners	7.3	4.25	MWE	MarkWest Energy Partners	5.8	3.20
APU	AmeriGas Partners	7.3	3.20	MMLP	Martin Midstream Partners	8.5	3.05
T	AT&T	4.7	1.76	MCY	Mercury General	6.2	2.44
BWP	Boardwalk Pipeline Partners	7.7	2.13	NNN	National Retail Properties	5.2	1.58
BPL	Buckeye Partners	8.5	4.15	OHI	Omega Healthcare Investors	7.3	1.68
CTL	CenturyLink	7.4	2.90	PAA	Plains All American Pipeline	4.7	2.13
CLF	Cliffs Natural Resources	6.5	2.50	PVR	PVR Partners	8.5	2.12
CODI	Compass Diversified Holdings	9.7	1.44	RGP	Regency Energy Partners	7.8	1.84
COP	ConocoPhillips	4.6	2.64	RAI	Reynolds American	5.4	2.36
OFC	Corporate Office Properties Trust	4.6	1.10	SAFT	Safety Insurance Group	5.2	2.40
DPM	DCP Midstream Partners	5.7	2.68	SNH	Senior Housing Properties Trust	6.9	1.52
EEP	Enbridge Energy Partners	7.3	2.17	SPH	Suburban Propane Partners	8.2	3.41
ETR	Entergy	4.8	3.32	TAL	TAL International Group	6.7	2.32
EPD	Enterprise Products Partners	4.7	2.54	TCP	TC Pipelines	6.8	3.12
HHS	Harte-Hanks	4.9	0.34	TE	TECO Energy	5.1	0.88
HEP	Holly Energy Partners	5.5	3.64	TLP	TransMontaigne Partners	6.8	2.56
KMP	Kinder Morgan Energy Partners	5.8	4.92	VVC	Vectren	4.9	1.40
LGCY	Legacy Reserves	7.7	2.24	WPZ	Williams Partners	5.8	3.17
LINE	Linn Energy	7.0	2.90	WPC	WP Carey	5.4	2.60

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
Conservative						
A+	06739FFZ9	Barclays Bank PLC	7/10/14	\$106.9	5.200	1.2
A+	94980VAE8	Wells Fargo Bank Natl Assn	5/16/16	\$114.7	5.750	1.4
AA+	36966RW93	GE Capital Internotes	4/15/19	\$111.3	5.125	3.2
Aggressive						
A	40429XVW3	HSBC Financial Corp.	8/15/14	\$104.6	4.800	2.3
A-	59018YTZ4	Merrill Lynch Co.	7/15/14	\$106.5	5.450	1.7
A-	61744YAD0	Morgan Stanley	12/28/17	\$111.1	5.950	3.6
Speculative						
BBB-	45974WAR7	International Lease Finance NEW PICK	5/15/14	\$103.1	5.050	3.1
BBB+	29274FAB0	Enersis S.A.	12/1/16	\$117.3	7.400	3.0
BBB-	574599AR7	Masco Corp.	4/15/18	\$110.5	6.625	4.5
Walk on the Wild Side						
BB+	780097AL5	Royal Bank of Scotland NEW PICK	10/1/14	\$102.0	5.000	3.9
BB	780153AR3	Royal Caribbean Cruises	6/15/16	\$113.4	7.250	3.4
BBB-	75913MAB5	Regions Bank	5/15/18	\$118.0	7.500	3.9

DIVIDEND DETECTIVE SAMPLE (MODEL) PORTFOLIOS

Too many choices? Here are short lists of stocks to buy now based on three different investing priorities

- Conservative: for investors whose top priority is minimizing risk
- Growth & Income: growth stocks paying high dividends
- High-Yield/Speculative: for investors who want to maximize dividend yield

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
 - Resist the temptation to cherry pick portfolio selections

Key

Addition to portfolio this month **looks like this New**

Deletion from Sample Portfolios only (not industry portfolios) ~~looks like this~~ **Delete (Sample Port Only)**

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

Sells ~~looks like this~~ **SELL**

Conservative

These stocks were selected first for the lowest possible risk with diversification between industries, then for the highest dividend yields.

<u>Ticker</u>	<u>Name</u>	<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Forecast Div. Yield</u>
ACG	AllianceBernstein Income	Closed-End Fund (Government Debt)	8.6	5.6%
AHL-B	Aspen Insurance 7.25%	Preferred (Reinsurance)	26.2	6.9%
D	Dominion Resources	Utility	52.9	4.0%
FEO	First Trust/Aberdeen Emerging New	Closed-End Fund (Emerging Mkt. Equity/ Debt)	22.2	6.3%
HNZ	H.J. Heinz	Mfg/Services (Food Products)	56.0	3.7%
PDT	John Hancock Prem. Delete (Sample Port Only)	Closed-End Fund (Utilities/Preferreds)	14.2	6.4%
PM	Philip Morris International	Mfg/Services (Tobacco Products)	89.9	3.4%
PL-C	Protective Life 6.25%	Preferred (Insurance)	25.8	6.1%

Growth & Income

Dividend paying growth stocks. The main selection criteria are forecast annualized earnings growth with diversification between industries.

<u>Ticker</u>	<u>Name</u>	<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Forecast Div. Yield</u>
FL	Foot Locker	Mfg/Services (Retail)	35.5	2.0%
OKE	Oneok	Utility (Utility & Pipelines)	48.3	2.7%
BOX	SeaCube Container Leasing	Mfg/Services (Shipping Containers)	18.8	6.2%
TRGP	Targa Resources	Energy General Partners (Nat. Gas Pipelines)	50.3	3.2%
WRLS	Telular	Speculator (Security Communications)	9.9	4.4%
VLO	Valero Energy	Oil Industry (Refineries)	31.7	2.2%
VZ	Verizon Communications	Mfg/Services (Telecom)	45.6	4.5%

High Yield/Speculative

Highest yielding low to medium risk stocks with diversification between industries.

<u>Ticker</u>	<u>Name</u>	<u>Industry Portfolio</u>	<u>Recent Price</u>	<u>Forecast Div. Yield</u>
AWF	AB Global High Income	Closed-End Fund (Emerging Gov. Debt)	15.9	7.6%
AGNC	American Capital Agency	REITs (Gov. Insured Mortgages)	34.6	14.5%
ARI-A	Apollo Commercial	Preferred (Commercial Finance)	25.6	8.4%
AHT-E	Ashford Hospitality E Delete (Sample Port Only)	Preferred (Hotel Properties)	26.9	8.4%
GOF	Guggenheim Strategic	Closed-End Fund (Corp. & Gov. Debt)	22.0	8.4%
JDD	Nuveen Diversified Div. & Inc. New	Closed-End Fund (Global Stocks & Debt)	12.3	8.2%
SDRL	SeaDrill	Oil Industry (Offshore Drilling)	39.2	8.6%
TCAP	Triangle Capital Resources	Business Development Corp.	25.7	8.1%

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 DETECTIVE *TOP 50*

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, we have no buy/sell recommendation on these stocks or funds.

Ticker		Estimated Annual Dividend \$	Estimated Annual Yield %	Freq.
DCIX	Diana Containerships	1.200	21.4	Q
OXF	Oxford Resource Partners	1.750	19.2	Q
TEU	Box Ships	1.040	17.5	Q
AMTG	Apollo Residential Mortgage	3.400	15.4	Q
DHT	DHT Holdings	0.960	15.3	Q
NYMT	New York Mortgage Trust	1.080	15.3	Q
WMC	Western Asset Mortgage Capital	3.400	15.3	Q
RNDY	Roundy's	0.920	15.2	Q
AI	Arlington Asset Investment	3.500	14.7	Q
AGNC	American Capital Agency	5.000	14.5	Q
MTGE	American Capital Mortgage Investment	3.600	14.3	Q
ARR	ARMOUR Residential REIT	1.080	14.1	M
BGCP	BGC Partners	0.680	13.9	Q
PDH	PetroLogistics	1.800	13.9	Q
CWH	CommonWealth REIT	2.000	13.7	Q
RSO	Resource Capital	0.800	13.6	Q
IVR	Invesco Mortgage Capital	2.600	12.9	Q
CYS	CYS Investments	1.800	12.8	Q
MITT	AG Mortgage Investment Trust	3.080	12.8	Q
ECT	Eca Marcellus Trust I	2.400	12.4	Q
EFC	Ellington Financial	2.800	12.3	Q
TWO	Two Harbors Investment	1.440	12.3	Q
MCGC	MCG Capital	0.560	12.2	Q
CHKR	Chesapeake Granite Wash Trust	2.440	12.1	Q
NMM	Navios Maritime Partners	1.770	11.9	Q
NAT	Nordic American Tanker	1.200	11.9	Q
NLY	Annaly Capital Management	2.000	11.9	Q
CXS	CreXus Investment	1.280	11.8	Q
SDT	Sandridge Mississippian Trust I	2.911	11.8	Q
TNK	Teekay Tankers	0.440	11.8	Q
NCT	Newcastle Investment	0.880	11.7	Q
TNP	Tsakos Energy Navigation	0.600	11.6	Q
RNO	Rhino Resource Partners	1.780	11.6	Q
FULL	Full Circle Capital	0.924	11.4	M
CPLP	Capital Product Partners	0.930	11.4	Q
HTS	Hatteras Financial	3.200	11.4	Q
TICC	TICC Capital	1.160	11.2	Q
PBI	Pitney Bowes	1.500	10.9	Q
DX	Dynex Capital	1.160	10.8	Q
BKCC	Blackrock Kelso Capital	1.040	10.7	Q
VLCCF	Knightsbridge Tankers Limited	0.700	10.7	Q
CMO	Capstead Mortgage	1.440	10.7	Q
NRP	Natural Resource Partners	2.200	10.6	Q
PSEC	Prospect Capital	1.220	10.6	M
PNNT	PennantPark Investment	1.120	10.6	Q
FSC	Fifth Street Finance	1.150	10.5	M
SLRC	Solar Capital	2.400	10.5	Q
MVO	MV Oil Trust	3.725	10.4	Q
KCAP	KCAP Financial	0.960	10.4	Q
SB	Safe Bulkers	0.600	10.3	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.
PREFERRED STOCKS				MANUFACTURING & SERVICES			
Ally Financial 8.5% Series A	ALLY-B	8.7%	BUY	B&G Foods	BGS	3.6%	BUY
Annaly Capital Mgmt. 7.625% C	NLY-C	7.4%	BUY	Computer Programs & Systems	CPSI	3.3%	BUY
Apollo Commercial 8.625% A	ARI-A	8.4%	BUY	Dow Chemical	DOW	4.4%	BUY
Ashford Hospitality Trust 9.00% E	AHT-E	8.4%	BUY	E.I. du Pont Nemours	DD	3.4%	BUY
Aspen Insurance 7.25% Perpet.	AHL-B	6.9%	BUY	Foot Locker	FL	2.0%	BUY
Citigroup Capital XVII 6.35%	C-E	6.3%	DNA	Genuine Parts	GPC	3.2%	BUY
CommonWealth REIT 6.50% D	CWH-D	6.9%	BUY	H.J. Heinz	HNZ	3.7%	BUY
Endurance Specialty 7.50% B	ENH-B	7.2%	BUY	Johnson & Johnson	JNJ	3.5%	BUY
Goldman Sachs 6.125% Notes	GSF	5.8%	BUY	McDonald's	MCD	+3.4%	BUY
Hersha Hospitality Trust 8.00% B	HT-B	7.7%	BUY	Microchip Technology	MCHP	4.3%	BUY
Kimco Realty 5.50% J	KIM-J	5.5%	BUY	Philip Morris International	PM	+3.8%	BUY
KKR Financial 8.375%	KFH	7.4%	DNA	SeaCube	BOX	6.2%	BUY
Lexington Realty Trust 6.50% Series C	LXP-C	6.7%	BUY	Verizon Communications	VZ	+4.5%	BUY
Maiden Holdings 8.00% Notes	MHNB	7.5%	BUY	REGIONAL BANKS			
Merrill Lynch Cap Trust II 6.45%	MER-M	6.5%	DNA	New York Community Bank	NYB	7.1%	DNA
Montpelier Re Holdings 8.875% A	MRH-A	8.3%	BUY	Valley National Bancorp	VLY	6.9%	DNA
Pennsylvania REIT 8.25% A	PEI-A	7.8%	BUY	LARGE BANKS			
Protective Life 6.25% Debentures	PL-C	6.1%	BUY	Bank of Nova Scotia	BNS	4.2%	BUY
Qwest Corp. 7.50%	CTW	7.0%	BUY	Canadian Imperial Bank of Commerce	CM	4.8%	BUY
Raymond James Fin. 6.90% Senior	RJD	6.3%	BUY	REAL ESTATE INVESTMENT TRUSTS			
SLM (Sallie Mae) Series A 6.97%	SLMAP	7.3%	BUY	American Capital Agency	AGNC	14.5%	BUY
Vornado Realty 5.70% K	VNO-K	5.7%	BUY	Digital Realty Trust	DLR	4.2%	BUY
CLOSED-END FUNDS				Entertainment Properties Trust	EPR	6.8%	BUY
AllianceBernstein Glb. High Income	AWF	7.6%	BUY	Home Properties	HME	4.3%	BUY
Alliance Bernstein Income Fund	ACG	5.6%	BUY	Hospitality Properties Trust	HPT	7.6%	BUY
BlackRock Long-Term Muni Advant.	BTA	6.0%	BUY	Inland Real Estate	IRC	6.9%	BUY
BlackRock Muni Holdings	MUH	5.7%	BUY	Omega Healthcare investors	OHI	7.4%	BUY
Delaware Enhanced Global	DEX	8.0%	SELL	ENERGY: GENERAL PARTNERS			
Dreyfus High Yield Strategies	DHF	9.7%	BUY	Crosstex Energy Inc.	XTXI	3.4%	BUY
First Trust/Aberdeen Emerging Opp	FEO	6.3%	BUY	Kinder Morgan, Inc.	KMI	3.9%	BUY
Guggenheim Strategic Opp	GOF	8.4%	BUY	Targa Resources Corp.	TRGP	3.2%	BUY
J.H. Patriot Premium Dividend	PDT	6.4%	BUY	Williams	WMB	3.6%	BUY
Kayne Anderson Energy	KYE	6.9%	BUY	ENERGY PARTNERSHIPS			
Nuveen Diversified Dividend & Inc.	JDD	8.2%	BUY	Calumet Specialty Products	CLMT	7.4%	BUY
CANADA STOCKS: ENERGY				Crestwood Midstream	CMLP	8.4%	BUY
Baytex Energy Trust	BTE.TO/BTE	5.7%	BUY	Exterran Partners	EXLP	9.3%	BUY
Crescent Point Energy	CPG.TO	6.3%	BUY	MarkWest Energy Partners	MWE	5.9%	BUY
CANADA STOCKS: EXCLUDING ENERGY				PAA Natural Gas Storage	PNG	7.2%	BUY
Colabor Group	GCL.TO	9.4%	BUY	PARTNERSHIPS EX-ENERGY			
Liquor Stores	LIQ.TO	5.8%	BUY	America First Tax Exempt	ATAX	8.3%	BUY
Morneau Shepell	MSI.TO	6.2%	BUY	Blackstone Group	BX	5.2%	BUY
Student Transportation	STB.TO/STB	8.3%	BUY	Rentech Nitrogen	RNF	6.6%	BUY
CANADA REAL ESTATE INVESTMENT TRUSTS				UTILITIES			
Artis REIT	AX.UN	6.6%	BUY	Avista	AVA	4.5%	BUY
Calloway REIT	CWT.UN	5.2%	BUY	CenterPoint Energy	CNP	3.8%	BUY
DIVIDEND SPECULATORS				Dominion Resources	D	4.0%	BUY
Douglas Dynamics	PLOW	5.5%	BUY	Oneok	OKE	2.7%	BUY
Golar LNG Limited	GLNG	3.6%	BUY	Pepco Holdings	POM	5.7%	BUY
Sun Communities	SUI	5.7%	BUY	Southern Company	SO	4.3%	BUY
Telular	WRLS	4.4%	BUY	Unitil	UTL	5.1%	BUY
ETF MONTHLY INCOME				Westar Energy	WR	4.5%	BUY
iShares High Yield Corporate	HYG	6.9%	BUY	INSURANCE			
iShares Invest. Grade Corporate	LQD	3.9%	BUY	Arthur J. Gallagher	AJG	3.8%	BUY
iShares JPM Emerging Mkts.	EMB	4.3%	BUY	Cincinnati Financial	CINF	4.3%	BUY
iShares S&P U.S. Preferred	PFF	5.7%	BUY	OneBeacon Insurance Group	OB	6.3%	BUY
Vanguard Total Bond Index	BND	2.9%	BUY	OIL			
RURAL TELECOMS				Chevron	CVX	3.1%	BUY
CenturyLink	CTL	7.2%	BUY	HollyFrontier	HFC	6.3%	BUY
Consolidated Communications	CNSL	9.0%	BUY	Royal Dutch Shell	RDS.B	5.0%	SELL
Hickory Tech	HTCO	+5.5%	BUY	SeaDrill	SDRL	8.6%	BUY
Windstream	WIN	9.9%	BUY	Valero Energy	VLO	2.2%	BUY
BUSINESS DEVELOPMENT CORPS							
KCAP Financial	KCAP	10.4%	BUY				
Main Street Capital	MAIN	6.1%	BUY				
Triangle Capital Resources	TCAP	8.1%	BUY				

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

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