



# DIVIDEND DETECTIVE HIGHLIGHTS

DIVIDENDDETECTIVE.COM

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## Welcome to the August 2011 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.

### This Month's Changes

Given current market conditions, we're making several changes to our Sample Portfolios to reduce their risk profile. We're also adding one new pick to our REIT portfolio that is paying a 7.1% yield. We're selling one pick from our Partnerships Excluding Energy portfolio and changing our advice on two other picks in that portfolio to "do not add."

### More Info on Premium Members Site

Highlights includes only a smattering of the information available to Premium subscribers on the Dividend Detective site. For best results, use Highlights as a guide to point to specific sections of the Premium site that interest you.

### Did You Get Our Mail?

If you were a subscriber on August 3, you should have received an email notification and link regarding this issue of DD Highlights. If you didn't, please contact customer service to confirm that we have your correct email address on file.

### 24 Hour Customer Service

Call 866-632-1593 (toll free) or 661-621-9660 (direct) for 24 hour customer service regarding your account, to retrieve your user name, password, etc. Our 24/7 email support address is: [dividenddetective@netbillingsupport.com](mailto:dividenddetective@netbillingsupport.com).

### 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](mailto: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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# DIVIDEND DETECTIVE HIGHLIGHTS

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## August 2011 Commentary

### Review of July 2011 Results and This Month's Changes

#### CRISIS OF CONFIDENCE

It started with the political shenanigans in Washington, which drove the market and our stocks down in July. But it didn't end with the raising of the U.S. federal debt ceiling. Instead, things got worse. When I wrote this on Thursday, the Dow had dropped 513 points. What's happening?

The gridlock in Washington cast a pall over everything and forced many, including corporate CEOs, to curtail spending, just in case. Those decisions are already being reflected in weak economic reports, which are raising the possibility of a double-dip recession.

Meanwhile, in Europe, attention has shifted to a potential liquidity crisis in Italy, which because of its size, will be much harder to fix than Greece.

Underlying the market's selloff is the realization that the U.S. government, which many see as dysfunctional, will be unable to cope with economic issues. Similarly, most don't think that European leaders have what it takes to solve their problems.

#### What's Next?

In my view, the market is in panic mode and overlooking the fact that business, at least for the corporations that we follow, is not falling off a cliff. In fact, business is good. Further, as usual, the Europeans will find a way to muddle through.

That said, nobody knows whether the market will bounce back next week, next month, or further down the road. What to do? Dump everything, go to cash, and jump back in when the market recovers? If you do, by the time that you realize that the market is recovering you will have missed most of it.

Plan B is to hold high dividend paying fundamentally strong stocks that are unlikely to cut those payouts. Sure your stocks will go down with the market. But if their business is solid, eventually they will come back and you will have enjoyed a steady income stream in the meantime (Yes, I publish a dividend newsletter, so you'd expect me to say that).

Whether you choose to go to cash or Plan B depends on your personal situation and risk tolerance. Now, about last month.

Starting with our Sample Portfolios; Conservative dropped 1%, Growth & Income lost 3%, and High Yield/Speculative fell 7%.

Our individual Industry and Special portfolios did no better. Speculators, up 3%, and ETF Monthly Income, up 1%, were our only portfolios to score gains. Partnerships Excluding Energy, down 9%, and Rural Telecom, down 8%, were our biggest losers. Here's the complete list.

Portfolio	Avg. Return%
Dividend Speculators .....	3%
ETF Monthly Income .....	1%
Oil Industry .....	0%
Canada Real Estate Investment Trusts .....	0%
Canada Stocks Ex-Energy .....	0%
Preferred Stocks .....	-1%
Utilities .....	-1%
US Real Estate Investment Trusts .....	-2%
Canada Energy .....	-2%
Insurance .....	-3%
Manufacturing & Services .....	-3%
Partnerships - Energy .....	-4%
Business Development Corps. ....	-5%
Closed-End Funds .....	-5%
Large Banks .....	-6%
Regional Banks .....	-7%
Rural Telecom .....	-8%
Partnerships Ex-Energy .....	-9%

#### Defensive Mode

This month we are making changes to our Sample Portfolios to reduce their risk profiles. We're also making a few changes along those lines to our Industry portfolios. By next month, we will have a better picture of what the future holds and adjust our portfolios accordingly.

#### What's New

We're adding one new hotel property owner to our Real Estate Investment Trust (REIT) portfolio that is paying a 7.1% dividend yield.

In our Partnerships-Excluding Energy portfolio, we're selling one pick and changing our advice on two others to "do not add." The latter two are good stocks that should do well in a normal economy, so we're not necessarily advising selling.

We're also changing one Rural Telecom pick to "do not add."

In our Sample Portfolios, we're replacing four picks, all with the goal of minimizing risk. 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 as to whether or not to sell it, assuming that you have additional funds available.

#### **Conservative Portfolio** (-1% return)

Four picks; AllianceBernstein Income (ACG), Altria Group (MO), Dominion Resources (D), and JP Morgan Preferreds (JPM-C) broke even for the month. Verizon Communications (VZ), down 4%, was our biggest loser.

We’re replacing the iShares Preferred Stock ETF (PFF) with a closed-end fund, John Hancock Premium Dividend (PDT), which holds mostly utility common stocks and utility preferreds. The two funds are similar in many respects, but John Hancock has, historically at least, had lower volatility, which usually translates to lower risk.

#### **Growth & Income Portfolio** (-2.7% return)

Computer Programs & Systems (CPSI), up 16%, did the best. Microchip Technology (MCHP), down 11%, and TAL International (TAL), down 10%, were the biggest losers.

With the goal of reducing the risk profile, we are deleting Microchip Technology (MCHP) and Safe Bulkers (SB). Both have strong growth potential, but along with that property comes high risk. We are deleting them from this portfolio only. Both are still “buy” rated in their home portfolios.

We’re adding Oneok (OKE) and McDonald’s (MCD). Oneok, nominally a utility, has a big stake in Oneok Partners, a fast growing natural gas pipeline operator. McDonald’s, which is enjoying strong international growth, needs no introduction.

#### **High Yield/Speculative** (return -6.5%)

Ashford Hospitality Preferreds (AHT-D), at breakeven, did the best. Alaska Communications (ALSK), down a whopping 19%, was the biggest loser.

We’re replacing Alaska with MV Oil Trust (MVO), an owner of oil and natural gas reserves. Alaska is “do not add” rated in its home Rural Telecoms portfolio.

## **PREFERRED STOCKS**

Our preferreds averaged a 1% loss. Montpelier Re (MRH-A), up 1%, did the best. Citigroup (C-E) and Merrill Lynch (MER-M), both down 5%, were our biggest losers.

#### **Unusual Opportunity**

Upside potential is the capital gain you would enjoy if you bought a preferred trading below its call price, and the issue eventually moved back up to its call price. In 2009 when the market was tanking, many of our preferreds offered double-digit appreciation potential. Those bargains disappeared however, as the market revived.

Due to the current market downdraft, five of our preferreds are offering double-digit appreciation potential: Lexington Realty Trust (LXP-C) 16%, Commonwealth REIT (CWH-D) 15%, Merrill Lynch 11%, SLM (Sallie Mae) 11%, and Citigroup 10%.

The percentage listed is the capital gain that you would achieve if the preferred trades back up to its call price. That’s on top of the 7%-8% annual dividend yields you’d earn from those picks.

## **CLOSED-END FUNDS**

Our portfolio averaged a 5% loss, at least in terms of market prices. Alliance Bernstein Income (ACG), and BlackRock Energy (BGR), both at breakeven, did the best. Kayne Anderson Energy (KYE), down 10%, and Delaware Enhanced (DEX), down 9%, were the biggest losers.

The net asset value (NAV) is the per-share value of a fund’s holdings. Unlike regular mutual funds, which always trade at their NAVs, closed-end funds, subject to the forces of supply and demand, can trade above or below their NAVs.

Last month, reflecting the markets nervousness, closed-end fund share prices dropped much more than their underlying NAVs. In fact, based on NAVs, our portfolio only averaged a 1% loss. As a result, many funds are trading at unusually high discounts to their NAVs. That’s especially significant for funds that hold mainly income producing assets. Here’s why.

Say that a fund has assets worth \$100/share and those assets are yielding a 6% return. Assuming no expenses, the fund would pay a \$6/share dividend (6% yield). Now, say the fund’s market price sinks to \$90/share, but its holdings keep their value. So, it would continue to pay \$6/year, but your yield would be 6.7% if you bought it at \$90 instead of at \$100.

Funds trading at significant discounts to their NAVs include: Alliance Bernstein Income -13%, BlackRock Energy & Resources -9%, First Trust Aberdeen (FEO) -11%, and John Hancock Premium Dividend (PDT) -8%.

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

Our Monthly Income portfolio averaged a 0.9% return in July. iShares Investment Grade Corporate (LQD) and iShares Emerging Markets (EMB), both up 2%, did the best. iShares U.S. Preferred (PFF), down 2%, was the only loser.

## **CORPORATE BONDS**

Most of our bonds traded up 1% to 2% in price last month. One, American General 5.75%, (Walk on the Wild Side) gained 5%.

## **CANADA STOCKS: ENERGY**

Our portfolio averaged a 2% loss. Baytex Energy (BTE), up 2%, did the best. Vermillion Energy (VET.TO) dropped 6%, Crescent Point Energy (CPG.TO) fell 3%, and Bonterra Energy (BNE.TO) lost 1%.

## **CANADA REAL ESTATE INVESTMENT TRUSTS**

Our REIT portfolio broke even, on average, in July. Artis REIT (AX.UN) lost 0.5%, and Calloway REIT (CWT.UN) broke even.

## **CANADA STOCKS: EXCLUDING ENERGY**

Our portfolio broke even, on average. Morneau Shepell (MSI.TO) gained 2%, Liquor Stores (LIQ.TO) rose 1%, and Canfor Pulp Products (CFX.TO) dropped 2%.

Canfor reported strong June quarter earnings and cash flow growth, but revenues dropped slightly vs. year-ago.

Genivar acquired a Ontario-based instrumentation control and automation systems consulting firm.

## MANUFACTURING & SERVICES

Our portfolio lost 3%. Computer Programs & Systems (CPSI), up 16%, and American Software (AMSWA) and McDonald's (MCD), both up 3%, were the winners. Leggett & Platt (LEG) and Microchip Technology (MCHP), down 11%, and TAL International (TAL), down 10%, were the biggest losers.

Computer Programs & Systems and TAL International both recorded very strong June quarter revenue and earnings growth numbers. However, TAL's growth numbers fell short of its March quarter, hence the share price drop. DuPont (DD) and McDonald's also reported impressive growth numbers.

Altria (MO), B&G Foods (BGS), Genuine Parts (GPC) and Verizon (VZ) reported modest growth numbers. Microchip Technology warned that June quarter sales would fall short of the March quarter.

Leggett & Platt and TAL both increased their quarterly dividends by 4%. TAL had already hiked its dividend by 11% hike in April.

DuPont acquired a startup that makes inks and process technologies that increase the efficiency of silicon solar cells.

## COMMUNITY & REGIONAL BANKS

Our portfolio averaged a 7% loss. Valley National (VLY) dropped 3% and New York Community (NYB) lost 10%.

Valley National reported relatively strong June quarter numbers, but New York Community recorded only so-so results. That said, New York Community is paying a 7.4% yield and its dividend looks safe.

## LARGE BANKS

Bank of Nova Scotia (BNS), the portfolio's only holding, lost 6%. Scotia will report its July quarter results on August 30.

## REAL ESTATE INVESTMENT TRUSTS (REITs)

Our REITs lost 2%. Medical Properties Trust (MPW), up 2%, did the best. Annaly Capital Management (NLY), down 7%, and American Capital Agency (AGNC), down 4%, were the biggest losers.

Annaly and American Capital were hurt by fears that a U.S. credit default would undermine the federal insurance on the mortgage-backed securities that they buy from Fannie Mae and Freddie Mac. They recovered most of those losses on August 1.

American Capital and Annaly both reported good June quarter results, but American Capital's numbers looked stronger.

Data center property owner Digital Realty (DLR) reported exceptionally strong growth numbers (34% revenues, 29% cash flow) for a REIT.

### New Pick

This month we're adding hotel and travel center property owner Hospitality Properties Trust (HPT) to the portfolio. The hotel industry was hit hard by the 2008/2009 recession, but is now in recovery mode. Hospitality's yield is 7.1%, which is high for a property REIT.

## ENERGY PARTNERSHIPS (MASTER LIMITED PARTNERSHIPS)

Our portfolio averaged a 4% loss. Vanguard Natural Resources (VNR), up 9%, was the only winner. Suburban Propane Partners (SPH), down 13%, and Exterran Partners (EXLP), down 8%, were the biggest losers.

Natural Resource Partners (NRP) reported mostly strong June quarter results, PAA Natural Gas Storage (PNG) reported strong numbers all around, and Energy Transfer Partners (ETP) recorded so-so results.

Crestwood Midstream (CMLP) increased its quarterly distribution by 5%, and BreitBurn Energy Partners (BBEP), Exterran and Vanguard all announced 1% payout hikes.

In other news, BreitBurn is acquiring natural gas properties in Wyoming that will add about 3% to its daily production.

## PARTNERSHIPS EX-ENERGY

Our portfolio lost 9%. America First Tax Exempt (ATAX), up 1%, did the best. Capital Products Partners (CPLP) and Navios Maritime Partners (NMM), both dropped 12%, and Och-Ziff Capital Management (OZM) lost 11%.

Capital Product Partners reported below year-ago June quarter revenues, earnings, and cash flow. Navios recorded higher revenues, but since there were more shares out, per share earnings and cash flow fell short of year-ago.

In distribution news, Navios raised its quarterly payout by 2%.

Och Ziff said assets under management on July 1 were up 16% vs. year-ago, but down 2% from June 1.

### Do Not Add to Navios Maritime

Although Navios' dividend is well covered; concerns about the economy are pressuring its share price. We're advising against adding to positions until the economic outlook clarifies.

### Do Not Add to Och-Ziff

In the end, Och-Ziff's income is a percentage of its total assets under management. If the market continues down, assets under management will take a hit. We're advising against adding to positions until the outlook improves.

### Sell Capital Product Partners

In May, Capital made a deal to acquire five crude oil tankers. That changes Capital from mainly a transporter of refined petroleum products to a crude oil shipper as well. We don't want to be in that business at this time.

## BUSINESS DEVELOPMENT CORPORATIONS (BDCs)

Our portfolio dropped 5%. Ares Capital (ARCC), at breakeven, did the best. Both Compass Diversified (CODI) and Triangle Capital (TCAP) recorded 7% losses.

Triangle Capital reported strong June quarter income and asset growth numbers.

## UTILITIES

Our portfolio averaged a 1% loss. CenterPoint Energy (CNP), up 1%, and AGL Resources (AGL) and Dominion Resources



(D), both at breakeven, did the best. Pepco Holdings (POM), down 5%, and Westar Energy (WR), down 4%, lost the most.

Oneok (OKE) reported strong June quarter revenue and earnings growth. AGL and Southern Company (SO) reported more modest, but still solid revenue and earnings growth. Pepco Holdings and Dominion Resources reported mixed results and Unifit reported lackluster numbers.

Oneok increased its quarterly dividend by 8%. That's on top of an 8% raise in January.

**INSURANCE INDUSTRY**

Our portfolio averaged a 3% loss. Chubb (CB) broke even, Arthur J. Gallagher (AJG) dropped 2%, and Mercury General (MCY) lost 6%.

Our picks all reported so-so June quarter results. Gallagher and Chubb recorded higher revenues, but lower earnings. Mercury General's numbers were more or less in line with year-ago.

Gallagher acquired a retail broker headquartered in Atlanta, Georgia and a supplier of group benefits insurance in Arkansas.

**OIL INDUSTRY**

Our portfolio broke even for the month. Royal Dutch Shell (RDS.B), up 3%, and Chevron (CVX), up 1%, were the winners. Conoco Phillips (COP), down 3%, and SeaDrill (SDRL), down 2%, were the losers.

Our three integrated oil companies reported similar June quarter year-over-year revenue growth, to wit: Chevron up 30%, Conoco Phillips 34%, and Royal Dutch Shell 34%. Looking at earnings growth, Shell, at 93%, did better than Chevron at 43% and Conoco Phillips at 48%. Shell, with a 1% gain, was the only major oil company to boost production. Chevron's average daily production fell 2% and Conoco's number fell 5%.

**RURAL TELECOMS**

Our rural phone companies lost 8%. Warwick Valley (WVY), down 3%, and Consolidated Communications (CNSL), down 5%, lost the least. Alaska Communications (ALSK), down 19%, and Hickory Tech (HTCO), down 10%, were the biggest losers.

CenturyLink (CTL), which completed its acquisition of Qwest on April 1, reported mixed June quarter results, but cash flow, the number that funds dividends, was up. Hickory reported higher revenues, but lower earnings. Frontier Communications (FTR) reported disappointing numbers.

Alaska also announced so-so June quarter numbers, but its share price hit came from news that Verizon said it plans to eventually enter the Alaskan market. Wireless accounts for around 40% of Alaska's revenues. We estimate Verizon's entry into the market would cut Alaska's revenues by about 20%.

**Don't Add to Alaska**

According to some, the Verizon news is already priced in. Others speculate that since Verizon has no wireless infrastructure in Alaska, it might opt to buy Alaska Communications rather than starting from scratch. We're advising against adding to positions in Alaska pending further developments.

Windstream agreed to acquire a supplier of network and data center services, and Warwick Valley made a deal to buy a small voice over Internet (VoIP) services provider.

**DIVIDEND SPECULATORS**

Our Speculators returned 3%. MV Oil Trust (MVO), up 7%, did the best. Safe Bulkers (SB), down 6%, was our only loser.

MV Oil raised its quarterly dividend by 26% over its last payout, and 7% above year-ago.

Sun Communities (SUI) reported modest, but satisfactory June quarter growth numbers. Safe Bulkers reported weak results, but it still generated more than enough cash to cover its dividend.

Thanks for subscribing.

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<b>DIVIDEND SCOREBOARD</b>			
<i>Condensed Version: sorted by one-month returns</i>			
<b>Sector</b>	<b>12-Mo % Rtrn</b>	<b>YTD % Rtrn</b>	<b>1-Mo % Rtrn</b>
Technology: IT Software & Systems	68	43	6
Energy Ptr: Exploration & Production	32	14	4
Canada: Retail	-11	-8	1
Energy Ptr: U.S. Royalty Trusts	18	5	1
Canada: REITs	21	11	-1
Stocks: Preferred	8	4	-1
Canada: Utilities	14	2	-2
Energy Partnerships: Pipelines	17	4	-2
Canada Energy E&P	47	8	-2
Canada: Energy Pipelines	33	16	-2
Energy: Exploration & Production	24	6	-2
Energy Partnerships: Coal	97	5	-2
Leisure & Recreation	1	0	-2
Canada: Restaurants	22	-3	-2
Tobacco	21	12	-2
Utilities	14	10	-3
Energy Partnerships: ETNS	19	4	-3
Canada: Telecom	22	12	-4
Consumer Products & Services	14	-12	-4
Restaurants	22	9	-4
Food Processing	18	9	-4
Pharmaceuticals & Biotech	12	6	-4
Canada: Energy Refining & Marketing	6	5	-4
Emerging Markets Ex-China	24	3	-4
Real Estate Investment Tr.: Mortgage	15	1	-4
Canada: General Business	8	-8	-5
Telecom: Major	23	5	-5
Energy Ptr.: Natural Gas Storage	-11	-13	-5
Canada: Investment Funds/Trusts	14	3	-5
China Stocks	9	-5	-6
Canada: Healthcare	9	4	-6
Energy: Services	30	3	-6
Energy Partners: Misc	7	-8	-6
Canada Banks	10	4	-6
Business Development Corporations	11	-8	-7
Technology: Semiconductor Equipment	14	-5	-7
Insurance	2	-7	-7
Technology: Components	45	12	-8
Real Estate Investment Tr.: Property	8	0	-8
Media & Advertising	4	-6	-8

## DIVIDEND HOTSHOTS

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

		Ann.		Ann.
	<u>Yld.</u>	<u>Div.</u>		<u>Yld.</u>
				<u>Div.</u>
AGL	4.5	1.80	KMP	4.60
AHGP	4.8	2.33	MMP	3.14
ARLP	5.0	3.69	MSB	2.21
AEP	5.0	1.84	NHI	2.46
APU	6.9	2.96	NWE	1.44
T	5.8	1.72	OHI	1.60
ATP	7.4	1.09	ORRF	0.92
BKH	5.0	1.46	PBCT	0.63
BWP	7.4	2.10	PPL	1.40
BPL	6.3	4.00	RAI	2.12
CTL	8.4	2.90	SCG	1.94
CINF	5.9	1.60	SNH	1.48
OFC	5.8	1.65	SPH	3.41
DPM	6.1	2.53	SXL	4.86
DLR	4.7	2.72	TCLP	3.08
ETR	5.1	3.32	TE	0.86
EPD	5.8	2.42	SO	1.89
FNFG	5.4	0.64	UBSI	1.20
GEL	6.7	1.66	UBA	0.98
GTY	8.6	1.92	VVC	1.38
HGIC	4.8	1.44	VZ	1.95
HCP	5.6	1.92	WR	1.28
HEP	6.4	3.46	WPZ	2.93

## 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

Deleted listing is not necessarily a sell signal. It could mean that the bond may not be currently available to new buyers.

<u>Rating</u>	<u>CUSIP</u>	<u>Company</u>	<u>Maturity Date</u>	<u>Recent Price</u>	<u>Coupon</u>	<u>Yield to Maturity</u>
<b>Conservative</b>						
A+	760719AL8	Republic NY Corp	4/15/14	\$116.5	9.500	3.1
AA-	94980VAE8	Wells Fargo Bank Natl Assn	5/16/16	\$111.3	5.750	3.2
A+	53947PAB5	Lloyds TSB Bank PLC	1/13/20	\$100.4	5.800	5.7
<b>Aggressive</b>						
A	40429XUA2	HSBC Fin. Corp	2/15/13	\$104.5	5.000	2.0
A-	172967CQ2	Citigroup Inc	9/15/14	\$105.6	5.000	3.1
A	61746BDB9	Morgan Stanley	10/18/16	\$109.0	5.750	3.8
<b>Speculative</b>						
BBB	093662AD6	Block Financial Corp.	1/15/13	\$105.6	7.875	3.8
BBB+	29274FAB0	Enersis S.A.	12/1/16	\$118.6	7.400	3.5
BBB	780097AM3	Royal Bank of Scotland	7/3/18	\$88.7	4.700	6.8
<b>Walk on the Wild Side</b>						
B+	8124JFAU0	Sears Roebuck Accept. Inter Note	1/15/13	\$102.4	7.450	5.7
B	02635PTG8	American General Finance (AIG)	9/15/16	\$93.6	5.750	7.3
B-	880394AD3	Tenneco Packaging	6/15/17	\$100.0	8.125	8.1

## DIVIDEND DETECTIVE SAMPLE 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: focusing on the fastest growing dividend payers
- 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 ~~look 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)	7.9	6.1%
MO	Altria Group	Mfg/Services (Tobacco Products)	26.3	5.8%
D	Dominion Resources	Utility	48.5	4.1%
<del>PFF</del>	<del>iShares US Preferred</del> <b>Delete (Sample Port Only)</b>	ETF Monthly (Preferred Stocks)	38.7	7.3%
<b>PDT</b>	<b>John Hancock Premium Dividend New</b>	Closed-End Fund (Utilities/Preferreds)	11.8	7.7%
JPM-C	JPMorgan Chase Capital	Preferred (Financial Services)	25.4	6.6%
SO	Southern Company	Utility	39.5	4.8%
VZ	Verizon Communications	Mfg/Services (Communication Svcs.)	35.3	5.5%

### 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>
<b>OKE</b>	<b>Oneok New</b>	Utility (Utility & Pipelines)	72.8	3.1%
CPSI	Computer Prog. & Sys.	Mfg/Services (Hospital Systems)	73.5	2.0%
DLR	Digital Realty Trust	REITs (Datacenters)	61.2	4.4%
DD	E.I. DuPont de Nemours	Mfg/Services (Chemicals)	51.4	3.2%
<b>MCD</b>	<b>McDonald's New</b>	Mfg/Services (Restaurants)	86.5	2.8%
<del>MCHP</del>	<del>Microchip Tech.</del> <b>Delete (Sample Port Only)</b>	Mfg/Services (Semiconductors)	33.8	4.1%
<b>SB</b>	<b>Safe Bulkers</b> <b>Delete (Sample Port Only)</b>	Speculators (Shipping)	7.2	8.4%
SDRL	SeaDrill	Oil (Offshore Drilling Services)	34.8	8.6%
TAL	TAL International	Mfg/Services (Freight Containers)	30.9	6.7%

### 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)	14.7	8.2%
<del>ALSK</del>	<del>Alaska Comm.</del> <b>Delete (Sample Port Only)</b>	Rural Telecom	7.2	11.9%
AGNC	American Capital Agency	REITs (Gov. Insured Mortgages)	27.9	20.1%
AHT-D	Ashford Hospitality Series D	Preferred (Hotel Properties)	24.8	8.5%
DEX	Delaware Enhanced	Closed-End Fund (Inv. & Junk Grade Bonds)	12.0	10.2%
DHF	Dreyfus High Yield Strategies	Closed-End Fund (Junk Bonds)	4.6	11.2%
<b>MVO</b>	<b>MV Oil Trust New</b>	Speculators (Oil Trust)	43.5	7.5%
TCAP	Triangle Capital Resources	Business Development Corp.	17.2	10.2%

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.

Ticker		Estimated Annual Dividend \$	Estimated Annual Yield %	Freq.
IVR	Invesco Mortgage Capital	3.940	19.5	Q
AGNC	American Capital Agency	5.600	19.3	Q
ARR	ARMOUR Residential REIT	1.440	19.1	M
CYS	Cypress Sharpridge Investments	2.400	18.7	Q
CFP	Cornerstone Progressive Return Fund	1.236	17.2	M
RSO	Resource Capital	1.000	16.8	Q
TWO	Two Harbors Investment Corp	1.600	16.0	Q
WHX	Whiting USA Trust I	2.732	15.7	Q
LPHI	Life Partners Holdings	0.800	15.0	Q
NLY	Annaly Capital Management	2.600	14.9	Q
CMO	Capstead Mortgage	1.920	14.8	Q
HTS	Hatteras Financial	4.000	14.6	Q
ANH	Anworth Mortgage Asset	1.000	13.9	Q
CEL	Cellcom Israel	3.640	13.9	Q
PTNR	Partner Communications	1.986	13.8	Q
TNK	Teekay Tankers	1.120	13.4	Q
MFA	MFA Financial	1.000	13.0	Q
PSEC	Prospect Capital	1.216	12.7	M
AI	Arlington Asset Investment	3.500	12.4	Q
NYMT	New York Mortgage Trust	0.880	12.3	Q
BKCC	Blackrock Kelso Capital	1.040	12.0	Q
MCGC	MCG Capital	0.680	12.0	Q
FSC	Fifth Street Finance	1.279	11.9	M
DX	Dynex Capital	1.080	11.7	Q
SBRA	Sabra Health Care REIT	1.280	11.6	Q
AINV	Apollo Investment	1.120	11.5	Q
CPLP	Capital Product Partners	0.930	11.4	Q
ALSK	Alaska Communications Systems Group	0.860	11.3	Q
DHT	DHT Holdings	0.400	11.1	Q
TICC	TICC Capital	1.000	11.1	Q
DOM	Dominion Resources Black Warrior Trust	1.027	11.0	Q
FRO	Frontline	1.200	11.0	Q
NMM	Navios Maritime Partners	1.760	11.0	Q
CRU	Crude Carriers	1.250	10.7	Q
PMT	PennyMac Mortgage Investment Trust	1.680	10.3	Q
SLRC	Solar Capital	2.400	10.3	Q
OTT	Otelco	1.680	10.3	Q
PNNT	PennantPark Investment	1.080	10.1	Q
ARI	Apollo Commercial Real Est. Finance	1.600	10.1	Q
FTR	Frontier Communications	0.750	10.1	Q
FGP	Ferrellgas Partners	2.000	9.8	Q
TCAP	Triangle Capital	1.760	9.8	Q
SFL	Ship Finance International Limited	1.560	9.8	Q
PDLI	PDL BioPharma	0.600	9.7	Q
VLCCF	Knightsbridge Tankers Limited	2.000	9.6	Q
BALT	Baltic Trading	0.490	9.6	Q
CODI	Compass Diversified Holdings	1.440	9.5	Q
GLP	Global Partners	2.000	9.5	Q
KCAP	Kohlberg Capital	0.680	9.3	Q
GLAD	Gladstone Capital	0.840	9.3	M
CXS	Crexus Investment	1.000	9.2	Q



## DIVIDEND DETECTIVE AT A GLANCE

Name	Ticker	Yld.	Rec.	Name	Ticker	Yld.	Rec.
<b>PREFERRED STOCKS</b>				<b>MANUFACTURING &amp; SERVICES</b>			
Ameriprise Financial 7.75% .....	AMP-A .....	7.1% .....	DNA	Altria Group .....	MO .....	5.8% .....	BUY
Ashford Hospitality Trust 8.45% D .....	AHT-D .....	8.5% .....	BUY	American Software .....	AMSWA .....	4.2% .....	BUY
Ashford Hospitality Trust 9.00% E .....	AHT-E .....	9.0% .....	BUY	B&G Foods .....	BGS .....	4.5% .....	BUY
BB&T Capital 9.60% .....	BBT-B .....	9.1% .....	BUY	Computer Programs & Systems .....	CPSI .....	2.0% .....	BUY
CBS Corp. 6.75% .....	CPV .....	6.7% .....	DNA	E.I. du Pont Nemours .....	DD .....	3.2% .....	BUY
Citigroup Capital XVII 6.35% .....	C-E .....	6.9% .....	BUY	Foot Locker .....	FL .....	3.0% .....	BUY
CommonWealth REIT 6.50% D .....	CWH-D .....	7.5% .....	BUY	Genuine Parts .....	GPC .....	3.4% .....	BUY
Hersha Hospitality Trust 8.00% B .....	HT-B .....	8.3% .....	BUY	H.J. Heinz .....	HNZ .....	3.6% .....	BUY
JP Morgan Chase Capital XXIX 6.70% .....	JPM-C .....	6.6% .....	BUY	Leggett & Platt .....	LEG .....	5.2% .....	BUY
Kimco Realty 6.90% .....	KIM-H .....	6.8% .....	BUY	McDonald's .....	MCD .....	2.8% .....	BUY
Lexington Realty Trust 6.50% Series C .....	LXP-C .....	7.5% .....	BUY	Microchip Technology .....	MCHP .....	4.1% .....	BUY
Merrill Lynch Cap Trust II 6.45% .....	MER-M .....	7.1% .....	BUY	TAL International .....	TAL .....	6.7% .....	BUY
Montpelier Re Holdings 8.875% A .....	MRH-A .....	8.5% .....	BUY	Verizon Communications .....	VZ .....	5.5% .....	BUY
Morgan Stanley Capital Trust 6.25% .....	MWR .....	6.5% .....	BUY	<b>REGIONAL BANKS</b>			
PartnerRe Series D 6.50% .....	PRE-D .....	6.7% .....	BUY	New York Community Bank .....	NYB .....	7.4% .....	BUY
Public Storage Series P 6.50% .....	PSA-P .....	6.3% .....	BUY	Valley National Bancorp .....	VLY .....	5.3% .....	BUY
SLM (Sallie Mae) Series A 6.97% .....	SLM-A .....	7.8% .....	BUY	<b>LARGE BANKS</b>			
Weingarten Realty Inv. Series F 6.50% .....	WRI-F .....	6.6% .....	BUY	Bank of Nova Scotia .....	BNS .....	3.7% .....	BUY
<b>CLOSED-END FUNDS</b>				<b>REAL ESTATE INVESTMENT TRUSTS</b>			
Aberdeen Chile .....	CH .....	10.5% .....	BUY	American Capital Agency .....	AGNC .....	20.1% .....	BUY
AllianceBernstein Glb. High Income .....	AWF .....	8.2% .....	BUY	Annaly Capital Management .....	NLY .....	15.5% .....	BUY
Alliance Bernstein Income Fund .....	ACG .....	6.1% .....	BUY	Digital Realty Trust .....	DLR .....	4.4% .....	BUY
BlackRock Energy and Resource .....	BGR .....	5.6% .....	BUY	<b>Hospitality Properties Trust .....</b>	<b>HPT .....</b>	<b>7.1% .....</b>	<b>BUY</b>
Delaware Enhanced Global .....	DEX .....	10.2% .....	BUY	LTC Properties .....	LTC .....	6.2% .....	BUY
Dreyfus High Yield Strategies .....	DHF .....	11.2% .....	BUY	Medical Properties Trust .....	MPW .....	6.8% .....	BUY
First Trust/Aberdeen Emerging Opp .....	FEO .....	6.8% .....	BUY	<b>ENERGY PARTNERSHIPS</b>			
Guggenheim Strategic Opp .....	GOF .....	9.5% .....	BUY	BreitBurn Energy Partners .....	BBEP .....	9.0% .....	BUY
J.H. Patriot Premium Dividend .....	PDT .....	7.7% .....	BUY	Crestwood Midstream (Quicksilver) .....	CMLP .....	7.0% .....	BUY
Kayne Anderson Energy .....	KYE .....	7.2% .....	BUY	Energy Transfer Partners .....	ETP .....	7.6% .....	BUY
<b>CANADA STOCKS: ENERGY</b>				Exterran Partners .....	EXLP .....	8.1% .....	BUY
Baytex Energy Trust .....	BTE.TO .....	5.2% .....	BUY	Natural Resource Partners .....	NRP .....	6.9% .....	BUY
Bonterra Energy .....	BNE.TO .....	6.2% .....	BUY	PAA Natural Gas Storage .....	PNG .....	6.3% .....	BUY
Crescent Point Energy .....	CPG.TO .....	7.4% .....	BUY	Suburban Propane Partners .....	SPH .....	7.7% .....	BUY
Vermilion Energy .....	VET.TO .....	5.5% .....	BUY	Vanguard Natural Resources .....	VNR .....	7.5% .....	BUY
<b>CANADA STOCKS: EXCLUDING ENERGY</b>				<b>PARTNERSHIPS EX-ENERGY</b>			
Canfor Pulp Products .....	CFX.TO .....	9.1% .....	BUY	America First Tax Exempt .....	ATAX .....	9.0% .....	BUY
Liquor Stores .....	LIQ.TO .....	7.2% .....	BUY	Capital Product Partners .....	CPLP .....	11.5% .....	<b>SELL</b>
Morneau Shepell .....	MSI.TO .....	7.8% .....	BUY	Navios Maritime Partners .....	NMM .....	10.9% .....	<b>DNA</b>
<b>CANADA REAL ESTATE INVESTMENT TRUSTS</b>				Och-Ziff Capital Management .....	OZM .....	8.5% .....	<b>DNA</b>
Artis REIT .....	AX.UN .....	7.8% .....	BUY	<b>BUSINESS DEVELOPMENT CORPS</b>			
Calloway REIT .....	CWT.UN .....	6.2% .....	BUY	Ares Capital .....	ARCC .....	8.7% .....	BUY
<b>DIVIDEND SPECULATORS</b>				Compass Diversified Holdings .....	CODI .....	9.6% .....	BUY
Collectors Universe .....	CLCT .....	8.4% .....	BUY	Triangle Capital Resources .....	TCAP .....	10.2% .....	BUY
MV Oil Trust .....	MVO .....	9.5% .....	BUY	<b>UTILITIES</b>			
Safe Bulkers .....	SB .....	8.4% .....	BUY	AGL Resources .....	AGL .....	4.4% .....	BUY
Sun Communities .....	SUI .....	6.6% .....	BUY	Avista .....	AVA .....	4.4% .....	BUY
<b>ETF MONTHLY INCOME</b>				CenterPoint Energy .....	CNP .....	4.0% .....	BUY
iShares High Yield Corporate .....	HYG .....	7.7% .....	BUY	Dominion Resources .....	D .....	4.1% .....	BUY
iShares Invest. Grade Corporate .....	LQD .....	4.6% .....	BUY	Oneok .....	OKE .....	3.1% .....	BUY
iShares JPM Emerging Mkts. ....	EMB .....	4.9% .....	BUY	Pepco Holdings .....	POM .....	5.8% .....	BUY
iShares S&P U.S. Preferred .....	PFF .....	7.3% .....	BUY	Southern Company .....	SO .....	4.8% .....	BUY
Vanguard Total Bond Index .....	BND .....	3.3% .....	BUY	Unitil .....	UTL .....	5.4% .....	BUY
<b>RURAL TELECOMS</b>				Westar Energy .....	WR .....	5.0% .....	BUY
Alaska Communications .....	ALSK .....	11.9% .....	<b>DNA</b>	<b>INSURANCE</b>			
CenturyLink .....	CTL .....	7.8% .....	BUY	Arthur J. Gallagher .....	AJG .....	4.7% .....	BUY
Consolidated Communications .....	CNSL .....	8.6% .....	BUY	Chubb .....	CB .....	2.5% .....	BUY
Frontier Communications .....	FTR .....	10.0% .....	BUY	Mercury General .....	MCY .....	6.5% .....	BUY
Hickory Tech .....	HTCO .....	5.1% .....	BUY	<b>OIL</b>			
Warwick Valley Telephone .....	WVY .....	7.4% .....	BUY	Chevron .....	CVX .....	3.0% .....	BUY
Windstream .....	WIN .....	8.2% .....	BUY	Conoco Phillips .....	COP .....	3.7% .....	BUY
				Royal Dutch Shell .....	RDS.B .....	4.6% .....	BUY
				SeaDrill .....	SDRL .....	8.6% .....	BUY

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