



## **Dividend Detective Highlights**

**DividendDetective.com**

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### **Welcome to the May 2013 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.

#### **Did You Get Our Mail?**

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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](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.*

*Harry Domash*

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# DIVIDEND DETECTIVE HIGHLIGHTS

DIVIDENDDETECTIVE.COM

## May 2013 Commentary

### Review of April 2013 Results and This Month's Changes

#### A LITTLE MESSY - BUY OKAY

Although the S&P 500 gained 2%, and our dividend stocks more than kept pace, April was a little on the messy side.

Starting with our Sample Portfolios; Growth & Income, up 5%, did the best. High Yield/Speculative returned 3% and our Conservative portfolio gained 2%.

Nine of our 19 Industry & Specialty portfolios beat the S&P, two tied, and four fell short, one with an embarrassing high loss. Here are last month's and year-to-date returns for them, as well as for our Sample Portfolios.

Portfolio	Avg. Returns	
	Last Month	YTD
US Real Estate Investment Trusts	8%	17%
Utilities	5%	21%
Dividend Speculators	5%	13%
Canada Real Estate Investment Tr.	5%	9%
Partnerships: Energy	4%	26%
Partnerships: Ex-Energy	4%	16%
Manufacturing & Services	3%	19%
CEF Growth Opportunities	3%	17%
Monthly Paying Closed-End Funds	3%	9%
Insurance Industry	2%	16%
ETF Monthly Income	2%	2%
Rural Telecom (single stock)	1%	6%
Preferred Stocks	1%	5%
Large Banks	1%	1%
Canada Stocks	1%	3%
Energy: General Partners	-1%	22%
Business Development Corps.	-1%	11%
Oil Industry	-2%	12%
Regional Banks	-9%	2%
Sample #1: Conservative	2%	13%
Sample #2: Growth & Income	5%	25%
Sample #3: High Yield/Speculative	3%	14%
S&P 500	2%	13%

**U.S. Real Estate Investment Trusts**, up 8% for the month, did the best. All of our REITs recorded gains, but it was our two retail property REITs, both up 13% for the month, that powered the portfolio to the top of the heap.

**Utilities, Dividend Speculators, and Canadian REITs**, all averaging 5% returns, tied for second place. All of the Utilities and Canadian REIT picks ended the month in positive territory, but it was a different story for Speculators. It actually had as many losers as winners, but one pick, up 27%, saved the day.

#### On the Downside

Our biggest loser, **Regional Banks**, dropped 9%. We only have

two banks in the portfolio and both reported disappointing March quarter numbers.

#### About Oil Refinery Profits

In its March quarter report, Valero spelled out how much money it makes from refining one barrel of crude oil, based on the geographic location of the refinery. Here are the numbers: Gulf Coast \$4.62, Mid-Continent \$12.49, North Atlantic \$4.27, West Coast -\$1.98 (loss).

Wow! Mid-Continent refineries are nearly three times as profitable as refineries located on the Gulf Coast, and West Coast refineries are operating at losses. Why? It's all about the difference in crude oil prices. For instance, currently, Gulf Coast refineries pay \$113 per barrel compared to \$87 for Mid-Continent refineries.

#### Refinery Changes

While those cost differentials are expected to narrow over time, they are too big to ignore. Unfortunately, six of Valero's Energy's 14 refineries are located in the Gulf Coast area, and two are on the West Coast. By contrast, only one of HollyFrontier's six refineries is in the Gulf Coast area, while four are in the Mid-Continent region and one is in the Rocky Mountains area where crude can currently be had for \$79 per barrel.

We're selling Valero, and upgrading HollyFrontier to "buy" from "do not add." We also adding a new Mid-Continent refinery, an MLP, that we expect to pay distributions equating to 16% or so yields. For reasons explained in the write-up, this new pick is too risky for our Oil Industry portfolio, so we're adding it to Dividend Speculators where anything goes.

#### NEW BUYS, SELLS & DO NOT ADDS

**Growth & Income Sample Portfolio:** Replace Telular (WRLS) with Johnson & Johnson (JNJ). Replace TAL International (TAL) with Old Republic International (ORI).

**Preferred Stocks:** Do not add to Ashford Hospitality (AHT-E).

**Monthly Paying Closed-End Funds:** Do not add to American Strategic Income (ASP).

**Insurance:** Sell OneBeacon Insurance Group (OB)

**Oil Industry:** Sell Valero Energy (VLO) and its spin-off, CST Brands (CST). Change HollyFrontier (HFC) to 'buy.'

**Regional Banks:** Do not add to New York Community Bancorp (NYCB) and Valley National Bancorp (VLY).

**Dividend Speculators:** Buy Northern Tier Energy (NTI) and Old Republic International (ORI). Sell Golar LNG (GLNG). Do not add to Telular (WRLS).

## SAMPLE (MODEL) 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 (2.4% return)

Six of our seven picks recorded gains. NextEra Energy (NEE), up 6%, and Cincinnati Financial (CINF), up 4%, did the best. Aspen Insurance (AHL-B) preferreds, down 1%, was the loser.

### Growth & Income Portfolio (5.1% return)

Lots of action last month. Telular (WRLS), up 27%, and Verizon (VZ) up 11%, did the best. TAL International (TAL), down 9%, and Targa Resources (TRGP), down 3%, were the losers.

Telular is being acquired and we're replacing it with pharmaceutical giant Johnson & Johnson (JNJ). Telular is "do not add" rated in its home Speculators portfolio. While TAL International's long-term outlook still looks strong, we're expecting short-term volatility, which disqualifies TAL from this portfolio. We're replacing TAL with insurance company Old Republic International (ORI), a new pick from Dividend Speculators. TAL is still "buy" rated in its home Manufacturing & Services portfolio.

### High Yield/Speculative Portfolio (2.8% return)

Omega Healthcare Investors (OHI), up 10%, and Nuveen Diversified (JDD), up 6%, did the best. Guggenheim Strategic Opportunities (GOF), down 1%, and Triangle Capital Resources (TCAP), at breakeven, were the laggards.

## PREFERRED STOCKS

**PORTFOLIO RETURNS: LAST MONTH 1.2%, YEAR TO DATE 5.3%**

New pick, Travel Centers (TANN), up 5%, did the best. PartnerRe (PRE-F), another new pick, and Lexington Realty (LXP-C), both up 3%, came next. Aspen Insurance (AHL-B), down 1%, was the only loser. Interestingly, in March, Aspen was our biggest winner.

### Do Not Adds

We're adding Ashford Hospitality (AHT-E) to our "do not add" list. Ashford has moved up to the point where its yield-to-call fell below our minimum "buy" rating requirement. See the Preferreds section online for more on yield-to-call.

## CEF GROWTH OPPORTUNITIES

**PORTFOLIO RETURNS: LAST MONTH 3.2%, YEAR TO DATE 16.9%**

Nuveen Diversified Dividend & Income (JDD), up 6%, was our hottest fund last month. H&Q Life Sciences (HQL) returned 5% and First Trust/Aberdeen Emerging (FEO) gained 1%.

## MONTHLY-PAYING CLOSED-END FUNDS

**PORTFOLIO RETURNS: LAST MONTH 2.8%, YEAR TO DATE 8.9%**

Reeves Utility Income (UTG) and Flaherty & Crumrine Total Return (FLC), both up 6%, led the portfolio. Guggenheim Strategic (GOF), down 1%, and BlackRock MuniHoldings (MUH), at breakeven, were the laggards.

### Don't Add to American Strategic

American Strategic Income (ASP) cut its dividend by 4%. That its second dividend cut as many months. We're changing American Strategic to "do not add" pending further analysis.

## ETF MONTHLY INCOME (EXCHANGE-TRADED FUNDS)

**PORTFOLIO RETURNS: LAST MONTH 1.9%, YEAR TO DATE 2.2%**

iShares Emerging Markets (EMB), up 3% did the best. iShares Preferred Stock Index (PFF) and Vanguard Total Bond Market (BND), both up 1%, brought up the rear.

## CORPORATE BONDS

Most of our bonds made small up moves last month, typically 1% at most.

## BUSINESS DEVELOPMENT CORPORATIONS (BDCs)

**PORTFOLIO RETURNS: LAST MONTH -1.0%, YEAR TO DATE 11.1%**

KCAP Financial (KCAP), up 3%, was April's only winner. Triangle Capital (TCAP) broke even and Main Street Capital (MAIN) dropped 6%.

## ENERGY: GENERAL PARTNERS

**PORTFOLIO RETURNS: LAST MONTH -0.6%, YEAR TO DATE 21.9%**

April was a mixed bag. Kinder Morgan (KMI) and Williams (WMB) both gained 2%. But Crosstex Energy (XTXI) fell 4% and Targa Resources (TRGP) dropped 3%.

Targa raised its quarterly dividend by 8%. That was on top another 8% hike in January.

Kinder's 'Kinder Morgan MLP' completed its acquisition of publicly traded natural gas pipeline operator Copano Energy.

## PARTNERSHIPS: ENERGY (MASTER LIMITED PARTNERSHIPS)

**PORTFOLIO RETURNS: LAST MONTH 3.6%, YEAR TO DATE 26.1%**

Exterran Partners (EXLP), up 8%, and PAA Natural Gas Storage (PNG), up 6%, were last month's stars. Global Partners (GLP) at breakeven, and Calumet Specialty Partners (CLMT), up 1%, were the laggards.

Exterran Partners reported strong March quarter growth in all categories, making it Exterran's second blowout quarter in a row. Not that the market hadn't noticed. As of April 30, Exterran was up 42% year-to-date.

Calumet raised its quarterly payout by 5%. Global Partners hiked its payout by 2%, and Exterran and MarkWest Energy Partners (MWE) both raised their distributions by 1%.

## INSURANCE INDUSTRY

**PORTFOLIO RETURNS: LAST MONTH 2.3%, YEAR TO DATE 15.8%**

Cincinnati Financial (CINF), up 4%, did the best. Arthur J. Gallagher (AJG) gained 3% and OneBeacon Insurance rose 1%.

Both Gallagher and Cincinnati Financial reported strong March

quarter results. OneBeacon, on the other hand, reported mixed, but mostly below year-ago numbers.

#### **Sell OneBeacon Insurance (OB)**

OneBeacon recently lost its car collectors and boat owners insurance businesses, which sunk its numbers. We don't see anything on the horizon that's going to replace those businesses.

### **LARGE BANKS**

**PORTFOLIO RETURNS: LAST MONTH 0.5%, YEAR TO DATE 0.7%**

Canadian Imperial (CM) gained 2%, but Bank of Nova Scotia (BNS) dropped 1%.

### **MANUFACTURING & SERVICES**

**PORTFOLIO RETURNS: LAST MONTH 2.5%, YEAR TO DATE 19.0%**

DuPont (DD) and Verizon (VZ), both up 11%, were the stars. TAL International (TAL), down 9%, and Genuine Parts (GPC), down 2%, were our only losers.

Verizon reported strong March quarter earnings and cash flow, but revenue growth was nothing to shout about. TAL International reported good growth numbers but said that it doesn't expect much growth in its June quarter, which is what sunk its share price. Johnson & Johnson's (JNJ) results, although not wonderful, were J&J's best report in some time.

B&G Foods (BGS), McDonald's (MCD), Philip Morris (PM) and Six Flags (SIX) all reported only so-so numbers. DuPont recorded good growth for its agricultural products, otherwise it was a down quarter. Genuine Parts reported all around disappointing numbers.

Johnson & Johnson announced an 8% dividend hike, DuPont raised its payout by 5%, and TAL declared a 3% dividend raise.

### **OIL INDUSTRY**

**PORTFOLIO RETURNS: LAST MONTH -2.3%, YEAR TO DATE 11.8%**

Chevron (CVX) and SeaDrill (SDRL), both up 3%, were the winners. Refiners HollyFrontier (HFC), down 4%, and Valero Energy (VLO), down 11%, were the losers.

Valero Energy spun-off its retail business into a separate publicly traded company, CST Brands (CST), on May 1. If you held Valero shares as of April 19, you now also own one CST share for every nine shares of Valero. With CST recently trading a little under \$30, you have around \$3.30 worth of CST for each Valero share that you hold.

Chevron reported mixed March quarter numbers, but production increased vs. year-ago for the second quarter in a row. That bodes well in terms of future growth prospects. Valero reported strong March quarter earnings growth, even though refining volumes were only even with year-ago.

Chevron increased its quarterly payout by 11%.

#### **Sell Valero & CST Brands**

As explained in the introduction on page 2, we're selling Valero Energy. Valero's spin-off, CST Brands, is a gasoline retailer, a traditionally unprofitable business, so we're selling it as well.

#### **Okay to Add to HollyFrontier**

We are changing HollyFrontier to "buy" from "do not add."

### **PARTNERSHIPS: EX-ENERGY**

**PORTFOLIO RETURNS: LAST MONTH 3.7%, YEAR TO DATE 16.0%**

Private equity investors, Carlyle Group (CG) up 7%, and Blackstone Group (BX) up 5%, led the way. Rentech Nitrogen (RNF) gained 2% and America First Tax Exempt (ATAX) broke even for the month.

Blackstone, our only pick to announce March quarter results so far, reported surprisingly strong growth in all categories.

Blackstone has previously paid nominal distributions for three quarters and then a large fourth quarter payout based on the full year's distributable cash flow. Starting now, each quarterly distribution will reflect the previous quarter's cash flow. Blackstone declared a first quarter distribution of \$0.30 per unit, up 200% vs. year-ago.

Rentech Nitrogen declared a \$0.50 per unit distribution, down 33% from its previous distribution and down 53% from its year-ago payout. The distribution is consistent with Rentech's guidance calling for payouts totaling \$2.60 per unit in 2013, down from \$3.30 in 2012.

### **REAL ESTATE INVESTMENT TRUSTS (REITs)**

**PORTFOLIO RETURNS: LAST MONTH 7.5%, YEAR TO DATE 26.1%**

American Realty Capital Properties (ARCP) and Inland Real Estate (IRC), both up 13%, did the best. American Capital Agency (AGNC) and Home Properties (HME), although still up a respectable 2%, brought up the rear.

Home Properties reported strong March quarter results in all categories. More cash flow, higher rents, occupancy rates and rent levels—you name it.

Mortgage REIT American Capital Agency reported all around disappointing March quarter numbers. Declines in its interest rate spread (difference between mortgage interest rates and what AGNC pays to borrow) and in the value of its mortgage-backed securities portfolio were the culprits. We think that those issues were short-term in nature and we're still rating AGNC at "buy."

Omega Healthcare (OHI) increased its dividend by 2%. EPR Properties (EPR) switched to paying monthly instead of quarterly.

### **REGIONAL BANKS**

**PORTFOLIO RETURNS: LAST MONTH -8.9%, YEAR TO DATE 1.8%**

New York Community (NYCB) fell 6% and Valley National (VLY) lost 12%.

Why? Both reported disappointing March quarter results. Higher mortgage volumes helped, but in the end, continued low interest rates cut profit margins.

#### **Do Not Add to Small Banks**

The outlook for small banks has turned negative and we're again advising against adding to positions.

### **RURAL TELECOMS**

**PORTFOLIO RETURNS: LAST MONTH 1.3%, YEAR TO DATE 6.2%**

Hickory Tech (HTCO), our only portfolio pick, returned 1%.

Hickory reported good March quarter revenue growth. For



instance, total revenues gained 4% and fiber and data segment revenues rose 24% vs. year-ago. But higher expenses hurt earnings, which fell short of the year-ago number.

## UTILITIES

**PORTFOLIO RETURNS: LAST MONTH 4.8%, YEAR TO DATE 21.0%**

Oneok (OKE), up 9%, and Dominion Resources (D) and NextEra Energy (NEE), both up 6%, did the best. Avista (AVA), up 2%, was the laggard.

Southern Company (SO) reported good March quarter growth numbers. NextEra reported lower revenues, but strong earnings and cash flow growth. Dominion reported below year-ago numbers. Avista, CenterPoint Energy (CNP) and Oneok all reported only so-so results.

Southern Company raised its quarterly payout by 4%.

## DIVIDEND SPECULATORS

**PORTFOLIO RETURNS: LAST MONTH 5.1%, YEAR TO DATE 13.4%**

Telular (WRLS), up 27%, was last month's star. Golar LNG (GLNG), down 10%, was our biggest loser.

Telular agreed to be acquired by a private equity firm for \$12.61 per share. Telular can accept bids from other parties until May 30. So, it pays to wait until May 30 before selling. We're changing Telular to "Do Not Add" until then.

Sun Communities (SUI) reported mixed March quarter results. Its strong revenue growth didn't translate to much in terms of earnings or cash flow growth.

We are adding two new picks to the portfolio.

**Northern Tier Energy (NTI)**, a July 2012 IPO, is an MLP that operates an oil refinery and retail convenience stores in Minnesota and Wisconsin. We're forecasting a 16.9% annual yield. However, unlike most MLPs, Northern does not pay a steady distribution. Instead, each payout reflects the previous quarter's cash flow. Thus, distributions could vary substantially from quarter to quarter. That, plus its lack of operating history makes Northern Tier more suitable for Speculators than for our Energy Partnerships portfolio. We expect strong price appreciation when and if the market sees that Northern's distributions are for real.

**Old Republic International (ORI)** offers general insurance and real estate title insurance. The general insurance business is solid, but with the residential real estate market taking off, ORI's title business could beat market expectations, sending its share price higher. The dividend yield is 5.3%.

### Good Company - Bad Stock

In our view, Golar LNG, the liquefied natural gas shipper, has great long-term prospects. But the market doesn't agree. Sell Golar LNG.

## CANADA STOCKS

**PORTFOLIO RETURNS: LAST MONTH 0.6%, YEAR TO DATE 3.2%**

Morneau Shepell (MSI.TO) gained 2% and Student Transportation (STB) rose 1%, but Liquor Stores (LIQ.TO) dropped 2%.

Student Transportation was awarded new school transportation contracts in Texas, Pennsylvania and Ontario, Canada. Taken together, they add about 3% to annual revenues.

### Okay to Add


Last month, the Toronto stock market looked so weak that we rated all three picks at "do not add." It looks better now and we're again advising adding to positions.

## CANADA REAL ESTATE INVESTMENT TRUSTS

**PORTFOLIO RETURNS: LAST MONTH 5.0%, YEAR TO DATE 8.7%**

Both REITs gained last month, Artis (AX.UN) by 6% and Calloway (CWT.UN) by 4%.

Artis raised \$152.5 million by selling 10.424 million new units at \$16.55 per unit. That comes on top of a preferred sale in March that netted Artis around \$100 million.

Thanks for subscribing.   
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## DIVIDEND SCOREBOARD

Condensed Version: sorted by one-month returns

Sector	12-Mo % Rtrn	YTD % Rtrn	1-Mo % Rtrn
Technology: Communications Gear	18	22	13
Telecom Services: US Based	5	17	12
Energy Ptnr: Natural Gas Storage	24	29	11
Partnerships - Excluding Energy	30	23	9
Technology: Semiconductor Equip.	17	22	8
Energy Partnerships: Coal	12	18	8
Leisure & Recreation	35	25	7
Aerospace	19	12	7
Media & Advertising	51	31	6
Energy Ptnr: Propane/Heating Oil	31	22	6
REIT: Property, Ex-Lodging & Lumber	36	24	6
Energy: Services	24	16	5
Partnerships: Ship Owners	8	26	5
Retail	10	19	4
Stocks: Preferred	17	10	4
Insurance	29	19	4
Tobacco	14	14	4
Canada: Healthcare	2	17	4
Utilities	18	17	4
Real Estate Investment Tr: Lodging	19	17	3
Shipping: Dry Bulk & Containers	3	29	3
Chemicals	15	16	3
Canada: Restaurants	19	12	3
Consumer Products Mfg.	20	12	3
Pharmaceuticals & Biotech	25	19	3
Manufacturing	9	8	3
U.S. Royalty Tr. (Coal, Oil, & Nat. Gas)	-26	18	3
Canada: REITs	12	5	3
Canada: Energy Refining & Marketing	50	6	2
Technology: Components	-6	3	2
Energy Ptnr: Liquefied Natural Gas (LNG)	4	19	2
Business Services & Products	19	19	2
Canada: Utilities	-4	-5	1
MLP General Partners	24	24	1
Business Development Companies	29	7	1
Restaurants	17	11	1
Canada: Energy Pipelines	15	10	1
Technology: Semiconductors	3	8	1
Canada Banks	8	1	1
Energy Partners: Misc	45	31	0

## DIVIDEND HOTSHOTS

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

		Ann.			Ann.		
		Yld.	Div.				
AHGP	..... Alliance Holdings GP	5.1	3.05	LMT	..... Lockheed Martin	4.6	4.60
ARLP	..... Alliance Resource Partners	6.1	4.52	<b>MAIN</b>	..... <b>Main Street Capital</b>	6.4	1.86
APU	..... AmeriGas Partners	7.4	3.36	<b>MWE</b>	..... <b>MarkWest Energy Partners</b>	5.4	3.32
T	..... AT&T	4.8	1.80	MCY	..... Mercury General	5.5	2.45
BWP	..... Boardwalk Pipeline Partners	7.1	2.13	NYMT	..... New York Mortgage Trust	15.2	1.08
BBEP	..... BreitBurn Energy Partners	9.8	1.90	<b>ORI</b>	..... <b>Old Republic International</b>	5.4	0.72
BPL	..... Buckeye Partners	6.6	4.15	<b>OHI</b>	..... <b>Omega Healthcare Investors</b>	5.5	1.84
<b>CMLP</b>	..... <b>Crestwood Midstream Partners</b>	8.6	2.04	OKS	..... Oneok Partners	5.8	2.86
DLR	..... Digital Realty Trust	4.5	3.12	RAI	..... Reynolds American	5.0	2.36
EPB	..... El Paso Pipeline Partners	5.9	2.48	SNH	..... Senior Housing Properties Trust	5.4	1.56
EEP	..... Enbridge Energy Partners	7.6	2.17	<b>TAL</b>	..... <b>TAL International Group</b>	6.6	2.64
<b>EXLP</b>	..... <b>Exterran Partners</b>	7.0	2.07	NGLS	..... Targa Resources Partners	6.2	2.79
<b>GLP</b>	..... <b>Global Partners</b>	6.7	2.33	TE	..... TECO Energy	4.6	0.88
HEP	..... Holly Energy Partners	5.1	1.91	TLP	..... TransMontaigne Partners	5.6	2.56
KED	..... Kayne Anderson Energy Development	6.7	1.74	UBSI	..... United Bankshares	5.0	1.24
KMP	..... Kinder Morgan Energy Partners	6.0	5.20	UBA	..... Urstadt Biddle Properties	4.5	1.00
LGCY	..... Legacy Reserves	8.8	2.30	VNR	..... Vanguard Natural Resources	8.7	2.43

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

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

## 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

<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>						
AA+	36966R2Z8	GE Capital Internotes	3/15/15	\$108.8	5.700	0.9
A+	94980VAE8	Wells Fargo Bank Natl Assn.	5/16/16	\$114.1	5.750	1.0
AA+	36966RW93	GE Capital Internotes	4/15/19	\$114.1	5.125	2.6
<b>Aggressive</b>						
A-	61747YCT0	Morgan Stanley	11/2/15	\$104.6	3.450	1.6
A-	24240VAM3	Dean Witter Discover & Co.	1/1/16	\$112.2	6.750	2.0
A-	61744YAD0	Morgan Stanley	12/28/17	\$116.5	5.950	2.2
<b>Speculative</b>						
BBB-	459745GM1	International Lease Finance	4/1/15	\$105.5	4.875	1.9
BBB+	29274FAB0	Energis S.A.	12/1/16	\$117.7	7.400	2.2
BBB-	574599AR7	Masco Corp.	4/15/18	\$111.7	6.625	4.0
<b>Walk on the Wild Side</b>						
BB+	780097AL5	Royal Bank of Scotland	10/1/14	\$103.9	5.000	2.2
BB	780153AR3	Royal Caribbean Cruises	6/15/16	\$113.8	7.250	2.6
BBB-	75913MAB5	Regions Bank	5/15/18	\$123.3	7.500	2.6

## 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

Historical Sample Portfolio returns: [dividenddetective.com/returns](http://dividenddetective.com/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
  - 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)	8.4	5.7%
AHL-B	Aspen Insurance 7.25%	Preferred (Reinsurance)	27.3	6.6%
CINF	Cincinnati Financial	Insurance (Property & Casualty)	48.9	3.3%
FEO	First Trust/Aberdeen Emerging	Closed-End Fund (Emerging Mkt. Equity/ Debt)	22.8	6.2%
NEE	NextEra Energy	Utility	82.0	3.2%
PM	Philip Morris International	Mfg/Services (Tobacco Products)	95.6	3.6%
PL-C	Protective Life 6.25%	Preferred (Insurance)	26.2	6.0%

### 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)	34.9	2.3%
HQL	H&Q Life Sciences	Closed-End Fund (Biotech & Pharma)	18.0	6.9%
<b>JNJ</b>	<b>Johnson &amp; Johnson New</b>	Mfg/Services (Pharma)	85.2	3.1%
<b>ORI</b>	<b>Old Republic Intl. New</b>	Speculators (Insurance)	13.5	5.3%
STAG	STAG Industrial	REITs (Industrial Properties)	22.0	5.4%
<del>TAL</del>	<del>TAL International Delete (Sample Port Only)</del>	Mfg/Services (Shipping Containers)	41.4	6.4%
TRGP	Targa Resources	Energy General Partners (Nat. Gas Pipelines)	65.8	3.0%
<del>WRLS</del>	<del>Teular Delete (Sample Port Only)</del>	Speculator (Security Communications)	12.8	
VZ	Verizon Communications	Mfg/Services (Telecom)	53.9	3.8%

### 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)	16.7	7.2%
ARI-A	Apollo Commercial	Preferred (Commercial Finance)	26.6	8.1%
GOF	Guggenheim Strategic	Closed-End Fund (Corp. & Gov. Debt)	23.0	8.8%
JDD	Nuveen Diversified Div. & Inc.	Closed-End Fund (Global Stocks & Debt)	13.7	7.3%
OHI	Omega Healthcare Investors	REITs (Healthcare Facilities)	32.9	5.6%
SIX	Six Flags Entertainment	Mfg/Services (Amusement Park)	72.9	4.9%
TCAP	Triangle Capital Resources	Business Development Corp.	28.0	7.7%

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.

Ticker		Estimated Annual Dividend \$	Estimated Annual Yield %	Freq.
ALDW	Alon USA Partners .....	5.920	23.4	Q
DCIX	Diana Containerhips .....	1.200	21.1	Q
CVRR	CVR Refining .....	6.320	19.8	Q
<b>NTI</b>	<b>Northern Tier Energy</b> .....	5.080	19.7	Q
ECT	ECA Marcellus Trust I .....	2.482	18.9	Q
WHZ	Whiting USA Trust II .....	2.603	18.5	Q
SDR	SandRidge Mississippian Trust II .....	2.232	17.7	Q
CFP	Cornerstone Progressive Return Fund .....	1.025	17.1	M
WMC	Western Asset Mortgage Capital Corp .....	3.800	17.1	Q
PER	SandRidge Permian Trust .....	2.314	16.1	Q
CHKR	Chesapeake Granite Wash Trust .....	2.569	15.9	Q
NYMT	New York Mortgage Trust .....	1.080	15.2	Q
<b>AGNC</b>	<b>American Capital Agency</b> .....	5.000	15.1	Q
VOC	VOC Energy Trust .....	1.920	14.7	Q
MTGE	American Capital Mortgage Investment .....	3.600	13.8	Q
JMI	Javelin Mortgage Investment .....	2.760	13.7	M
AI	Arlington Asset Investment .....	3.500	13.0	Q
ARR	ARMOUR Residential REIT .....	0.840	13.0	M
RNO	Rhino Resource Partners .....	1.780	12.8	Q
AMTG	Apollo Residential Mortgage .....	2.800	12.7	Q
OAKS	Five Oaks Investment .....	1.920	12.7	M
IVR	Invesco Mortgage Capital .....	2.600	12.6	Q
MITT	AG Mortgage Investment Trust .....	3.200	12.4	Q
LRE	LRR Energy .....	1.930	12.2	Q
RSO	Resource Capital .....	0.800	12.2	Q
ORC	Orchid Island Capital .....	1.620	12.1	M
PSEC	Prospect Capital .....	1.321	12.0	M
EFC	Ellington Financial .....	3.080	11.9	Q
NMM	Navios Maritime Partners .....	1.770	11.7	Q
FULL	Full Circle Capital .....	0.924	11.7	M
NLY	Annaly Capital Management .....	1.800	11.6	Q
NTLS	NTELOS Holdings .....	1.680	11.6	Q
TICC	TICC Capital .....	1.160	11.6	Q
PWE	Penn West Petroleum .....	1.069	11.5	Q
SRV	Cushing MLP Total Return Fund .....	0.900	11.3	Q
MEMP	Memorial Production Partners .....	2.050	11.2	Q
QRE	QR Energy .....	1.950	11.0	Q
DX	Dynex Capital .....	1.160	10.8	Q
TWO	Two Harbors Investment Corp .....	1.280	10.7	Q
<b>KCAP</b>	<b>KCAP Financial</b> .....	1.120	10.6	Q
<b>CG</b>	<b>Carlyle Group</b> .....	3.400	10.6	Q
ALTV	Warwick Valley Telephone Co .....	1.080	10.6	Q
BKCC	Blackrock Kelso Capital .....	1.040	10.6	Q
PDH	PetroLogistics .....	1.420	10.5	Q
CYS	CYS Investments .....	1.280	10.5	Q
NSLP	New Source Energy Partners .....	2.129	10.5	Q
FSC	Fifth Street Finance .....	1.150	10.5	M
TEU	Box Ships .....	0.480	10.5	Q
SCCO	Southern Copper Corp .....	3.430	10.5	Q
CPLP	Capital Product Partners .....	0.930	10.3	Q
HTS	Hatteras Financial .....	2.800	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.
<b>PREFERRED STOCKS</b>				<b>MANUFACTURING &amp; SERVICES</b>			
Ally Financial 8.5% Series A	ALLY-B	7.9%	BUY	B&G Foods	BGS	3.8%	BUY
American Financial 6.375% Senior	AFW	5.9%	BUY	E.I. du Pont Nemours	DD	+3.3%	BUY
Annaly Capital Mgmt. 7.625% C	NLY-C	7.4%	BUY	Foot Locker	FL	2.3%	BUY
Apollo Commercial 8.625% A	ARI-A	8.1%	BUY	Genuine Parts	GPC	2.8%	BUY
Armour Residential 8.25% A	ARR-A	8.0%	BUY	Johnson & Johnson	JNJ	+3.1%	BUY
Ashford Hospitality Trust 9.00% E	AHT-E	8.0%	DNA	McDonald's	MCD	3.0%	BUY
Aspen Insurance 7.25% Perpet.	AHL-B	6.6%	BUY	Philip Morris International	PM	3.6%	BUY
Endurance Specialty 7.50% B	ENH-B	6.8%	BUY	Six Flags Entertainment	SIX	4.9%	BUY
General Electric 4.875% Notes	GEB	4.8%	BUY	TAL International	TAL	+6.4%	BUY
Goldman Sachs 6.125% Notes	GSF	5.7%	DNA	Verizon Communications	VZ	3.8%	BUY
Hersha Hospitality Trust 8.00% B	HT-B	7.6%	BUY	<b>REGIONAL BANKS</b>			
Kimco Realty 5.50% J	KIM-J	5.4%	BUY	New York Community Bank	NYCB	7.4%	DNA
Lexington Realty Trust 6.50% Series C	LXP-C	6.5%	BUY	Valley National Bancorp	VLY	7.7%	DNA
Maiden Holdings 8.00% Notes	MHNB	7.3%	BUY	<b>LARGE BANKS</b>			
NorthStar Realty 8.875% Series C	NRF-C	8.6%	BUY	Bank of Nova Scotia	BNS	4.2%	BUY
PartnerRe 5.875% Series F	PRE-F	5.7%	BUY	Canadian Imperial Bank of Commerce	CM	4.7%	BUY
Pennsylvania REIT 8.25% A	PEI-A	7.6%	BUY	<b>REAL ESTATE INVESTMENT TRUSTS</b>			
Protective Life 6.25% Debentures	PL-C	6.0%	BUY	American Capital Agency	AGNC	15.0%	BUY
Qwest Corp. 7.50%	CTW	6.8%	BUY	American Realty Capital Properties	ARCP	5.5%	BUY
Raymond James Fin. 6.90% Senior	RJD	6.2%	DNA	EPR Properties (Entertainment Properties Tr.)	EPR	5.6%	BUY
SLM (Sallie Mae) Series A 6.97%	SLMAP	7.0%	BUY	Home Properties	HME	4.3%	BUY
Summit Hotel 7.875% Series B	INN-B	7.5%	BUY	Hospitality Properties Trust	HPT	6.4%	BUY
Travel Centers of America 8.25%	TANN	7.7%	BUY	Inland Real Estate	IRC	5.0%	BUY
Vornado Realty 5.70% K	VNO-K	5.5%	BUY	Omega Healthcare investors	OHI	+5.6%	BUY
<b>MONTHLY-PAYING CLOSED-END FUNDS</b>				STAG Industrial	STAG	5.4%	BUY
AllianceBernstein Glb. High Income	AWF	7.2%	BUY	<b>ENERGY: GENERAL PARTNERS</b>			
Alliance Bernstein Income Fund	ACG	5.7%	BUY	Crosstex Energy Inc.	XTXI	2.6%	BUY
American Strategic Income	ASP	-5.9%	DNA	Kinder Morgan, Inc.	KMI	3.9%	BUY
BlackRock Muni Assets	MUA	5.4%	BUY	Targa Resources Corp.	TRGP	+3.0%	BUY
BlackRock Muni Holdings	MUH	5.9%	BUY	Williams	WMB	3.6%	BUY
CBRE Clarion Global Real Estate	IGR	5.5%	BUY	<b>ENERGY PARTNERSHIPS</b>			
Dreyfus High Yield Strategies	DHF	9.3%	BUY	Calumet Specialty Products	CLMT	+7.2%	BUY
F&C/Claymore Preferred	FLC	7.4%	BUY	Crestwood Midstream	CMLP	8.5%	BUY
Guggenheim Strategic Opp	GOF	8.8%	BUY	Exterran Partners	EXLP	+7.3%	BUY
Reeves Utility Income	UTG	5.7%	BUY	Global Partners	GLP	+6.5%	BUY
<b>CEF GROWTH OPPORTUNITIES</b>				MarkWest Energy Partners	MWE	+5.3%	BUY
First Trust/Aberdeen Emerging Opp	FEO	6.2%	BUY	PAA Natural Gas Storage	PNG	6.3%	BUY
H&Q Life Sciences	HQL	6.9%	BUY	<b>PARTNERSHIPS EX-ENERGY</b>			
Nuveen Diversified Dividend & Inc.	JDD	7.3%	BUY	America First Tax Exempt	ATAX	7.0%	BUY
<b>CANADA Stocks</b>				Blackstone Group	BX	+3.8%	BUY
Liquor Stores	LIQ.TO	6.1%	BUY	Carlyle Group	CG	6.3%	BUY
Morneau Shepell	MSI.TO	5.9%	BUY	Rentech Nitrogen	RNF	-7.1%	BUY
Student Transportation	STB.TO/STB	8.5%	BUY	<b>UTILITIES</b>			
<b>CANADA REAL ESTATE INVESTMENT TRUSTS</b>				Avista	AVA	4.3%	BUY
Artis REIT	AX.UN	6.3%	BUY	CenterPoint Energy	CNP	3.4%	BUY
Calloway REIT	CWT.UN	5.1%	BUY	Dominion Resources	D	3.6%	BUY
<b>DIVIDEND SPECULATORS</b>				NextEra Energy	NEE	3.2%	BUY
GEO Group	GEO	5.3%	BUY	Oneok	OKE	2.8%	BUY
Golar LNG Limited	GLNG	5.1%	SELL	Southern Company	SO	+4.2%	BUY
Northern Tier Energy	NTI	16.9%	BUY	Westar Energy	WR	3.9%	BUY
Old Republic International	ORI	5.3%	BUY	<b>INSURANCE</b>			
Sun Communities	SUI	4.9%	BUY	Arthur J. Gallagher	AJG	3.2%	BUY
Telular	WRLS	3.8%	DNA	Cincinnati Financial	CINF	3.3%	BUY
<b>ETF MONTHLY INCOME</b>				OneBeacon Insurance Group	OB	6.2%	SELL
iShares High Yield Corporate	HYG	6.3%	BUY	<b>OIL</b>			
iShares Invest. Grade Corporate	LQD	3.7%	BUY	Chevron	CVX	+3.3%	BUY
iShares JPM Emerging Mkts.	EMB	4.2%	BUY	CST Brands (Valero spin-off)	CST		SELL
iShares S&P U.S. Preferred	PFF	5.7%	BUY	HollyFrontier	HFC	6.5%	BUY
Vanguard Total Bond Index	BND	2.5%	BUY	SeaDrill	SDRL	8.8%	BUY
<b>RURAL TELECOMS</b>				Valero Energy	VLO	2.0%	SELL
Hickory Tech	HTCO	5.6%	BUY	<b>BUSINESS DEVELOPMENT CORPS</b>			
<b>BUSINESS DEVELOPMENT CORPS</b>				KCAP Financial	KCAP	10.4%	BUY
KCAP Financial	KCAP	10.4%	BUY	Main Street Capital	MAIN	6.2%	BUY
Main Street Capital	MAIN	6.2%	BUY	Triangle Capital Resources	TCAP	7.7%	BUY
Triangle Capital Resources	TCAP	7.7%	BUY				

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

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