



## **Dividend Detective Highlights**

**DividendDetective.com**

September 5, 2013

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### **Welcome to the September 2013 Edition of Dividend Detective Highlights**

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

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

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. That important information is readily available for each stock or fund in its home portfolio on the Premium Members site.

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

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

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#### **Question & Comments**

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

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

*Thanks for subscribing.*

*Harry Domash*

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# DIVIDEND DETECTIVE HIGHLIGHTS

DIVIDENDDETECTIVE.COM

## September 2013 Commentary

Review of August 2013 Results and This Month's Changes

### DIVIDEND STOCKS BLASTED

Our dividend stocks suffered big losses in August. How bad was it? All but one of our portfolios ended the month in negative territory. Looking at our Industry & Specialty portfolios, Oil Industry, up 1%, was the only winner. Rural Telecoms, down 10%, was the biggest loser.

Our three Sample Portfolios all lost ground. Adding insult to injury, our Conservative portfolio, down 6%, did the worst. High Yield Speculative fell 3% and Growth & Income dropped 5%. By contrast, the S&P 500 only dropped 3%. Here are last month's and year-to-date returns for each of our portfolios.

Portfolio	Avg. Returns	
	Last Month	YTD
Oil Industry	1%	17%
Energy: General Partners	-1%	22%
ETF Monthly Income	-2%	-4%
Regional Banks	-2%	15%
Partnerships: Ex-Energy	-3%	8%
Preferred Stocks	-3%	-1%
Energy Partnerships	-4%	25%
Manufacturing & Services	-4%	18%
Monthly Paying Closed-End Funds	-4%	-5%
US Real Estate Investment Trusts	-4%	12%
Business Development Corps.	-5%	7%
Canada Real Estate Investment Tr.	-5%	-11%
Canada Stocks	-5%	2%
CEF Growth Opportunities	-6%	4%
Insurance Industry	-6%	12%
Utilities	-6%	14%
Large Banks	-7%	-9%
Dividend Speculators	-9%	3%
Rural Telecom	-10%	11%
Sample #1: Conservative	-6%	1%
Sample #2: Growth & Income	-5%	23%
Sample #3 High Yield/Speculative	-3%	9%
S&P 500	-3%	15%

#### Buying Opportunity?

There was no fundamental reason why dividend stocks should have been hit harder than the overall market last month. What about rising interest rates?

Rates only rise in a strengthening economy. If that happens, our stocks will do more business, make more money, and raise dividends faster. In fact, if you look at what happened when interest rates rose in the past, as we did, you'll find that except for mortgage REITs, high-dividend payers including utilities and property REITs prosper in that environment. Although predicting what happens next week or next month is harder than it looks, in our view, long-term, the recent market action has created unusually promising buying opportunities.

### NEW BUYS, SELLS, ETC.

**Preferred Stocks: Okay to add** to Sallie Mae (SLMAP)

**CEF Growth Opp: Buy** new picks Gabelli Multimedia (GGT) and Kayne Anderson MLP (KYN). **SELL** First Trust/Aberdeen Emerging Opp. (FEO).

**Monthly-Paying Closed-End Funds: SELL** BlackRock Muni Assets (MUA) and BlackRock Muni Holdings (MUH).

**Business Development Co.: Do not add** to KCAP Financial (KCAP).

**Energy Partnerships: Don't Add** to PAA Natural Gas Str. (PNG).

**Rural Telecoms: Don't Add** to nTelos (NTLS).

**Dividend Speculators: Buy** new pick Navios Maritime Holdings (NM).

### 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, we have **different "buy rating" criteria** for our Sample Ports than for our regular portfolios. If the security being replaced is still "buy" rated in its home portfolio, it's your option whether or not to sell it, assuming that you have additional funds available. Please see page 7 for current Sample Portfolio holdings.

#### Conservative Portfolio (-5.7% return)

All of our picks were in the loss column. DuPont (DD), down 1%, lost the least and JPMorgan Chase (JPM), down 9%, lost the most.

We're replacing closed-end fund First Trust/Aberdeen Emerging Opportunities (FEO), in the portfolio with another CEF, Kayne Anderson MLP (KYN). First Trust/Aberdeen is "sell" rated in its home CEF Growth Opportunities portfolio.

#### Growth & Income Portfolio (-4.5% return)

Targa Resources (TRGP), at breakeven, did the best. Foot Locker (FL), down 11%, did the worst.

#### High Yield/Speculative Portfolio (-3.2% return)

SeaDrill (SDRL), up 8%, did the best, and Six Flags Entertainment (SIX), down 9%, was our biggest loser.

We're replacing rural telephone company nTelos (NTLS) with Gabelli Multimedia (GGT), a new pick in our CEF Growth portfolio. nTelos is "do not add" rated in its home Rural Telecom portfolio.

## PREFERRED STOCKS

**PORTFOLIO RETURNS: LAST MONTH -2.5%, YEAR TO DATE -1.0%**

**BEST:** Ally Financial (ALLY-B), +3%, Ashford Hospitality (AHT-E), +1%.

**WORST:** Kimco Realty (KIM-J), -9%, Armour Residential (ARR-A), -8%, Vornado Realty Trust (VNO-K) -8%,

Continuing last month's trend, junk-rated and unrated preferreds, down 1.8%, did better than investment quality preferreds, which averaged a 3.3% loss.

Why preferreds issued by Real Estate Investment Trusts (REITs) got hit the hardest is beyond me. With the economy gaining strength, business is improving across all commercial property sectors. Further, foreign buying continues to push property values higher. It's very unlikely that any of our REITs would run into problems funding their preferred dividends. Nevertheless, Kimco Realty and Vornado Realty preferreds recently traded at 21% and 18% discounts to their call prices.

Check the Preferreds Portfolio on Dividend Detective Premium for a list of this month's highest yielding "buy" rated preferreds.

## CEF GROWTH OPPORTUNITIES

**PORTFOLIO RETURNS: LAST MONTH -6.0%, YEAR TO DATE 4.2%**

**BEST:** H&Q Life Sciences (HQL) -4%.

**WORST:** First Trust/Aberdeen Emerging (FEO) -7%. Nuveen Diversified Dividend (JDD) -7%.

The only good news last month was that in all instances, the underlying per-share value of each fund's holdings (net asset value or NAV) dropped less than the fund's share price. Thus, all are trading at bigger discounts to their fundamental values. Here's an example of why that's important: since Nuveen Diversified is trading at a 12% discount, if you buy, you can get \$100 worth of income producing assets for \$88.

We're adding two new funds to the portfolio this month.

**Gabelli Multimedia** (GGT) holds a variety of media stocks including radio and TV broadcasting and Internet stocks such as Yahoo and Google. Gabelli has returned 24% so far this year and has averaged a 23% annual return over the past three years. Current yield is 8.6%.

**Kayne Anderson MLP** (KYN) offers you a way to invest in Master Limited Partnerships without the MLP tax return hassles. The portfolio holds mostly pipeline MLPs, plus a smattering of refiners and general partners. The fund has returned 25% year-to-date and has averaged a 20% annual return over the past three years. Current dividend yield is 6.5%.

### Sell First Trust/Aberdeen

Emerging market stocks comprise about half of First Trust/Aberdeen Emerging Opportunities' (FEO) portfolio. Emerging markets are in the doldrums and could remain that way for some time. We'll revisit First Trust/Aberdeen when emerging markets look more promising.

## MONTHLY-PAYING CLOSED-END FUNDS

**PORTFOLIO RETURNS: LAST MONTH -3.8%, YEAR TO DATE -4.7%**

**BEST:** Guggenheim Strat. (GOF) +2%, AB Global High Inc. (AWF) 0%.

**WORST:** CBRE Clarion Global R.E. (IGR) -9%, Reeves Utility Inc. (UTG) -6%, Flaherty & Crumine Total Return (FLC) -6%.

As was the case for our Growth CEFs, for the most part, the value of our fund's holdings did not drop as much as the share prices. The share price of Reeves Utility Income, for instance, dropped 6% last month, yet its fundamental value (NAV) only fell 1%.

### Sell Muni Bond Funds

The much publicized Detroit bankruptcy has soured the market's taste for municipal bond funds. Unfortunately, more bad news could be on the way as more cities, burdened by huge pension plan obligations, consider bankruptcy as a way out. Thus, we're selling both of our muni-funds, BlackRock Muni Assets (MUA) and BlackRock Muni Holdings (MUH).

## ETF MONTHLY INCOME (EXCHANGE-TRADED FUNDS)

**PORTFOLIO RETURNS: LAST MONTH -1.5%, YEAR TO DATE -3.5%**

**BEST:** Power Shares Senior Loan (BKLN) -1%.

**WORST:** iShares JP Morgan Emerging (EMB) -2%.

At this point, it looks like all of our funds except JPM Emerging Markets bottomed on August 19 and moved up from there. Only time will tell if that's true. If JPM Emerging did bottom, it wasn't until August 28.

## CORPORATE BONDS

Most of our bonds dropped in trading price by about 0.5% to 1% in August. See page 6 for our current holdings.

## BUSINESS DEVELOPMENT COMPANIES (BDCs)

**PORTFOLIO RETURNS: LAST MONTH -4.6%, YEAR TO DATE 6.7%**

**BEST:** Hercules Technology Growth (HTGC) +6%.

**WORST:** KCAP Financial (KCAP) -20%.

As Hercules Technology did in July, Triangle Capital reported strong all around June quarter growth numbers. KCAP Financial, however, reported mostly below year-ago numbers, triggering an analyst downgrade. While it wasn't as big a disaster as its share price action would lead you to believe, a dividend cut is possible.

### Do Not Add to KCAP Financial

We're advising against adding to positions pending more information.

## ENERGY: GENERAL PARTNERS

**PORTFOLIO RETURNS: LAST MONTH -0.7%, YEAR TO DATE 21.9%**

**BEST:** Williams (WMB) +6%, Kinder Morgan (KMI) +1%.

**WORST:** Spectra Energy (SE) -7%, Crosstex Energy (XTXI) -3%.

Crosstex Energy reported June quarter numbers more or less even with year-ago. Spectra Energy reported below year-ago numbers, but given its upcoming structural change that will see it morph from an operator to a general partner, its June quarter results didn't mean much.

Summarizing earlier March quarter reports; in July, Targa Resources reported strong growth in all categories, but Kinder Morgan and Williams announced less than stellar numbers.

Nevertheless, Williams hiked its quarterly dividend by 4%, making its current payout 17% above year-ago. Williams continues to forecast 20% annual dividend growth for 2013, 2014, and 2015.

## **PARTNERSHIPS: ENERGY (MASTER LIMITED PARTNERSHIPS)**

**PORTFOLIO RETURNS: LAST MONTH -4.3%, YEAR TO DATE 25.2%**

**BEST:** PAA Natural Gas Storage (PNG) +7%.

**WORST:** Global Partners (GLP) -10%, Exterran Partners (EXLP) -7%.

Exterran Partners reported strong June quarter results in all categories. It was a blowout report. On the other hand, Global Partners and Calumet's Specialty Products (CLMT) reported disappointing numbers. MarkWest Energy Partners (MWE) announced mixed results, but its all important distributable cash flow showed good growth vs. year-ago.

PAA Natural Gas Storage's general partner, Plains All American Pipeline LP (PAA), offered to buy the shares of PNG that it doesn't already own for roughly \$22.74 per unit, paid in Plains All American units. Specifically, PAA Natural Gas Storage holders would receive 0.435 Plains' units for each PNG unit.

### **Do Not Add to PAA Natural Gas**

Given that the deal is already reflected in the share price, we're advising against adding to positions.

## **INSURANCE INDUSTRY**

**PORTFOLIO RETURNS: LAST MONTH -6.4%, YEAR TO DATE 12.1%**

**BEST:** Arthur J. Gallagher (AJG) -6%

**WORST:** Cincinnati Financial (CINF) -7%

Gallagher acquired three brokers last month, including a retail broker based in London, England with over 1,100 employees, and Bollinger of Short Hills, New Jersey, the U.S.' 25th largest insurance broker, with over 500 employees.

Cincinnati Financial increased its quarterly dividend by 3%.

## **LARGE BANKS**

**PORTFOLIO RETURNS: LAST MONTH -7.1%, YEAR TO DATE -8.8%**

**BEST:** Wells Fargo (WFC) -5%.

**WORST:** JPMorgan Chase (JPM) -9%.

JPMorgan was buffeted by negative headlines concerning lawsuits involving the "London Whale" scandal, its handling of mortgage-backed securities and a potential hiring scandal in China. None of those are significant to JPM's long-term outlook

## **MANUFACTURING & SERVICES**

**PORTFOLIO RETURNS: LAST MONTH -4.1%, YEAR TO DATE 17.6%**

**BEST:** TAL International (TAL) +8%.

**WORST:** Foot Locker (FL) -11%, Six Flags Entertainment (SIX) -9%.

Foot Locker was punished for reporting July quarter numbers below analysts' forecasts. For sure, it was a lackluster quarter, but the numbers reflected the overall weak U.S. apparel market, not the end of the world for Foot Locker.

Verizon Communications (VZ) agreed to buy Vodafone Group's 45% interest in Verizon Wireless for \$130 billion in cash and stock.

Verizon expects to close the deal in the March 2014 quarter. Verizon increased its quarterly dividend by 3% to \$0.53 per share.

## **OIL INDUSTRY**

**PORTFOLIO RETURNS: LAST MONTH 1.2%, YEAR TO DATE 17.3%**

**BEST:** SeaDrill (SDRL) +8%.

**WORST:** Chevron (CVX) -4%, HollyFrontier (HFC) -1%.

HollyFrontier announced below year-ago June quarter numbers, mainly driven by lower profit margins resulting from the narrowing spread between global and mid-continent crude oil prices. Also, lower refinery production numbers didn't help.

SeaDrill also recorded lackluster June quarter results, but forecast stronger growth ahead, which triggered analyst upgrades. Hence the strong price move.

As it has for the last nine quarters, HollyFrontier declared a \$0.50 per share special dividend in addition to its regular \$0.30 payout.

## **PARTNERSHIPS: EX-ENERGY**

**PORTFOLIO RETURNS: LAST MONTH -3.3%, YEAR TO DATE 8.0%**

**BEST:** America First Tax Exempt (ATAX) 0%.

**WORST:** Carlyle Group (CG) -6%, Capital Product Ptnr. (CPLP) -5%.

America First Tax Exempt and Carlyle Group both reported good June quarter growth in all categories.

Blackstone (BX) is paying General Electric's finance unit \$2.7 billion for 80 apartment complexes comprising 30,000 units in Dallas, Atlanta and other parts of Texas and the Southeast.

Capital Product Partners bought three container vessels from its general partner, Capital Maritime & Trading, for \$195 million. Each vessel was built in 2013 and is contracted under a 12-year time charter. To help pay for the ships, Capital sold 13.7 million new units (shares) for \$9.25/unit.

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

**PORTFOLIO RETURNS: LAST MONTH -4.4%, YEAR TO DATE 11.9%**

**BEST:** American Capital Agency (AGNC) +1%.

**WORST:** Omega Healthcare (OHI) -11%, Home Prop. (HME) -9%.

Inland Real Estate reported good June quarter growth numbers. In fact, it was the shopping center REIT's best report since we added it to the portfolio in December 2011. Starwood Property Trust recorded strong growth in net interest income and book value, which what matters for mortgage REITs. Hospitality Properties Trust and STAG Industrial both reported higher revenues but only modest cash flow growth.

Following what looks like may be the beginning of a promising trend, starting in October, STAG plans to pay **dividends monthly** instead of quarterly.

## **REGIONAL BANKS**

**PORTFOLIO RETURNS: LAST MONTH -2.1%, YEAR TO DATE 15.2%**

**BEST:** New York Community (NYCB) -2%

**WORST:** Valley National (VLY) -3%.

Neither of our small banks announced significant news in August.



## RURAL TELECOMS

**PORTFOLIO RETURNS: LAST MONTH -10.3%, YEAR TO DATE 10.5%**

**BEST:** Hickory Tech (HTCO) -9%.

**WORST:** nTelos (NTLS) -11%.

Hickory Tech reported strong growth compared to year-ago, but its numbers weren't much above the March quarter.

nTelos dropped when an analyst speculated that its agreement with Sprint, its biggest customer, would not be renewed. So far, none of the other analysts covering nTelos have commented, one way or the other.

### Do Not Add to nTelos

nTelos has been in an ongoing rate dispute with Sprint and our research found that the Sprint rumor may be a negotiating tactic on Sprint's part or it may be real. We are advising against adding to positions pending more information.

## UTILITIES

**PORTFOLIO RETURNS: LAST MONTH -6.1%, YEAR TO DATE 14.4%**

**BEST:** Dominion Resources (D) -2%, Oneok (OKE) -2%.

**WORST:** Allele (ALE) -11%, Avista (AVA) -8%.

Avista and Westar Energy (WR) both reported strong June quarter year-over-year earnings growth although in both instances, revenues didn't grow much. Dominion Resources, for its part, recorded all around disappointing June quarter numbers.

Summarizing June quarter reports announced in July, NextEra Energy (NEE) and Oneok recorded strong year-over-year growth, but CenterPoint Energy (CNP) and Southern Company (SO) reported lackluster numbers.

Also, in July, Oneok announced plans to spin-off its utility business into a separate company, while Oneok would continue as the general partner of its MLP, Oneok Partners. We are advising against adding to positions in Oneok pending more details about the transaction.

## DIVIDEND SPECULATORS

**PORTFOLIO RETURNS: LAST MONTH -9.0%, YEAR TO DATE 3.0%**

**BEST:** Old Republic (ORI) -2%.

**WORST:** Northern Tier (NTI) -15%, Sun Communities (SUI) -11%.

Oil refiner Northern Tier Energy reported lower than expected June quarter production totals and profit margins. As a result, Northern declared a \$0.68 per unit (share) distribution (dividend), short of the expected \$1.00. A planned refinery shutdown for upgrades didn't help, but it was mainly higher mid-continent crude oil prices that hurt results. Consequently, analysts cut future distribution forecasts by around 25%. Also, Northern's master partner said it plans to sell 13 million existing units for \$22.85 per unit. There has been no word as to whether that sale has been completed.

GEO Group reported strong June quarter cash flow growth, but only modest revenue growth. GEO Group said that it expects to increase its fourth quarter dividend by 8%.

Summarizing June quarter numbers announced in July, insurance company Old Republic reported strong numbers, but manufactured housing community owner Sun Communities recorded mixed results.

## Still Buy Northern Tier

Even with Northern's reduced distribution forecasts, its distribution yield is still 16.3%, reason enough to continue adding to positions.

### New Pick

We're adding dry-bulk (coal, iron ore, lumber, etc.) shipper Navios Maritime Holdings (NM), which is a corporation, not an MLP, to the portfolio.

The dry-bulk shipping business is suffering from an oversupply of ships and charter rates are currently near historic lows. So, why buy now?

Due to rising demand and fewer new ships, analysts expect the dry-bulk ship surplus to morph into a shortage in 2014. Thanks to aggressive cost cutting, Navios is cash flow positive now and well-positioned to benefit from next year's expected improving fundamentals. It's currently paying a 3.9% yield and is generating sufficient cash to maintain that payout even if the expected business upturn doesn't materialize.

## CANADA STOCKS

**PORTFOLIO RETURNS: LAST MONTH -4.8%, YEAR TO DATE 2.0%**

**BEST:** Student Transportation (STB) -2%.

**WORST:** Morneau Shepell -7%, Liquor Stores (LIQ.TO) -6%.

Morneau Shepell announced strong June quarter year-over-year numbers, its best report in some time. Liquor Stores reported mixed numbers, but even so, the results were an improvement over recent quarters. Student Transportation has yet to report.

## CANADA REAL ESTATE INVESTMENT TRUSTS

**PORTFOLIO RETURNS: LAST MONTH -4.8%, YEAR TO DATE -11.0%**

**BEST:** Calloway REIT (CWT.UN) -3%.

**WORST:** Artis REIT (AX.UN) -6%.

Artis reported strong year-over-year June quarter growth while Calloway REIT recorded only modest growth numbers.

Artis bought a six-story Class A office building in Denver, Colorado for \$71 million, and paid for it by selling three million preferred shares paying 5.00% for \$25 per share.

*Thanks for subscribing.*

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## DIVIDEND HOTSHOTS

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

		Yld.	Ann. Div.			Yld.	Ann. Div.
AHGP	Alliance Holdings GP	5.2	3.14	LGCY	Legacy Reserves	8.6	2.3
ARLP	Alliance Resource Partners	6.1	4.61	LTC	LTC Properties	5.3	1.86
AEP	American Electric Power	4.7	1.96	MAIN	Main Street Capital	6.5	1.92
APU	AmeriGas Partners	8.0	3.36	<b>MWE</b>	<b>MarkWest Energy Partners</b>	5.0	3.36
T	AT&T Inc.	5.4	1.80	MCY	Mercury General	5.6	2.45
<b>AVA</b>	<b>Avista Corp</b>	4.7	1.22	MAA	Mid-America Apartment Communities	4.6	2.78
BWP	Boardwalk Pipeline Partners	7.2	2.13	NCMI	National CineMedia	4.8	0.88
BBEP	BreitBurn Energy Partners	11.0	1.92	NHI	National Health Investors	5.5	2.94
BPL	Buckeye Partners	6.1	4.25	NNN	National Retail Properties	5.3	1.62
CMLP	Crestwood Midstream Partners	7.7	2.04	NWN	Northwest Natural Gas	4.5	1.82
DRI	Darden Restaurants	4.8	2.20	<b>ORI</b>	<b>Old Republic International</b>	5.2	0.72
DLR	Digital Realty Trust	5.8	3.12	<b>OHI</b>	<b>Omega Healthcare Investors</b>	6.8	1.88
DUK	Duke Energy Corp	4.8	3.12	OLP	One Liberty Properties	6.6	1.40
EPB	El Paso Pipeline Partners	6.1	2.52	OKS	Oneok Partners	5.8	2.88
EEP	Enbridge Energy Partners	7.3	2.17	PAA	Plains All American Pipeline	4.7	2.35
EPD	Enterprise Products Partners	4.6	2.72	PPL	PPL Corporation	4.8	1.47
<b>EXLP</b>	<b>Exterran Partners</b>	7.4	2.09	O	Realty Income Corp	5.6	2.18
<b>GLP</b>	<b>Global Partners</b>	7.1	2.35	RGC	Regal Entertainment Group	4.7	0.84
HCP	HCP, Inc.	5.2	2.10	RAI	Reynolds American	5.3	2.52
HCN	Health Care REIT	5.0	3.06	SNH	Senior Housing Properties Trust	7.0	1.56
HEP	Holly Energy Partners	5.6	1.94	<b>SO</b>	<b>Southern Company</b>	4.9	2.03
KED	Kayne Anderson Energy Develop.	6.4	1.76	SEP	Spectra Energy Partners	4.9	2.04
KMP	Kinder Morgan Energy Partners	6.5	5.28				

**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

Rating	CUSIP	Company	Maturity Date	Recent Price	Coupon	Yield to Maturity
<b>Conservative</b>						
AA+	36966R2Z8	GE Capital Internotes	3/15/15	\$107.8	5.700	0.7
A+	94980VAE8	Wells Fargo Bank Natl Assn.	5/16/16	\$111.5	5.750	1.8
AA+	36966RW93	GE Capital Internotes	4/15/19	\$110.6	5.125	3.1
<b>Aggressive</b>						
A-	61747YCT0	Morgan Stanley	11/2/15	\$103.5	3.450	1.7
A-	073902PN2	Bear Sterns	1/22/17	\$110.0	5.550	2.4
A-	61744YAD0	Morgan Stanley	12/28/17	\$111.3	5.950	3.1
<b>Speculative</b>						
BBB-	459745GM1	International Lease Finance	4/1/15	\$104.1	4.875	2.2
BBB+	29274FAB0	Enersis S.A.	12/1/16	\$117.0	7.400	1.9
BBB-	50075NAV6	Kraft Foods	8/23/18	\$115.2	6.125	2.8
<b>Walk on the Wild Side</b>						
BB+	780097AL5	Royal Bank of Scotland	10/1/14	\$102.9	5.000	2.3
BB	780153AR3	Royal Caribbean Cruises	6/15/16	110.9	7.250	3.1
BBB-	75913MAB5	Regions Bank	5/15/18	\$115.5	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: minimizing risk is priority #1
- Growth & Income: high-dividend growth stocks
- High-Yield/Speculative: take a walk on the wild side for highest potential returns

Historical Sample Portfolio returns: link available here on Premium Members Site

### 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)	6.9	6.0%
CINF	Cincinnati Financial	Insurance (Property & Casualty)	45.7	3.7%
DD	DuPont	Mfg/Services (Agric. & Chemical))	56.6	3.2%
<del>FEO</del>	<del>First Trust/Aberdeen Emerging</del> <b>SELL</b>	Closed-End Fund (Emerging Mkt. Equity/ Debt)	17.7	7.9%
GPC	Genuine Parts	Mfg/Services (Industrial Distributor)	77.0	2.8%
JPM	JPMorgan Chase	Large Banks	50.5	3.0%
<b>KYN</b>	<b>Kayne Anderson MLP New</b>	Closed-End Fund (MLPs)	35.6	6.5%
NEE	NextEra Energy	Utility	80.4	3.3%

### 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)	32.2	2.5%
HQL	H&Q Life Sciences	Closed-End Fund (Biotech & Pharma)	18.4	7.4%
JNJ	Johnson & Johnson	Mfg/Services (Pharma)	86.4	3.1%
STAG	STAG Industrial	REITs (Industrial Properties)	20.0	6.0%
STWD	Starwood Property Trust	REITs (Commercial Property Lender)	24.9	7.4%
TRGP	Targa Resources	Energy General Partners (Nat. Gas Pipelines)	68.1	3.1%
VZ	Verizon Communications	Mfg/Services (Telecom)	47.4	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>
CPLP	Capital Products Partners	Partnerships Ex-Energy (Shipping)	8.9	10.5%
<b>GGT</b>	<b>Gabelli Multimedia New</b>	Closed-End Fund (Media & Internet)	9.3	8.6%
GOF	Guggenheim Strategic	Closed-End Fund (Corp. & Gov. Debt)	21.8	10.0%
<del>NTLS</del>	<del>nTelos Delete (Sample Port Only)</del>	Rural Telecom (Wireless Services)	16.6	10.1%
JDD	Nuveen Diversified Div. & Inc.	Closed-End Fund (Global Stocks & Debt)	11.0	9.1%
SDRL	SeaDrill	Oil Industry (Deepwater Drilling))	46.3	7.9%
SIX	Six Flags Entertainment	Mfg/Services (Amusement Park)	*33.0	5.5%
TCAP	Triangle Capital Resources	Business Development Corp.	29.2	7.4%

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

# DIVIDEND MONSTERS

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

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

Ticker		Estimated Annual Dividend \$	Estimated Annual Yield%	Freq.
JJMI	Javelin Mortgage Investment	2.76	22.6	M
ECT	Eca Marcellus Trust I	1.91	19.1	Q
WHZ	Whiting USA Trust II	2.78	21.8	Q
SDR	SandRidge Mississippian Trust II	2.73	20.5	Q
ARR	ARMOUR Residential REIT	0.84	20.4	M
CHKR	Chesapeake Granite Wash Trust	2.68	20.0	Q
CVRR	CVR Refining	5.40	19.7	Q
OAKS	Five Oaks Investment	1.92	18.8	M
AMTG	Apollo Residential Mortgage	2.80	18.7	Q
AGNC	American Capital Agency	4.20	18.7	Q
MITT	AG Mortgage Investment Trust	3.20	18.4	Q
CYS	CYS Investments	1.36	18.1	Q
NYMT	New York Mortgage Trust	1.08	17.7	Q
ALDW	Alon USA Partners	2.84	17.1	Q
IVR	Invesco Mortgage Capital	2.60	17.1	Q
PER	SandRidge Permian Trust	2.33	16.7	Q
DCIX	Diana Containerships	0.60	16.4	Q
MTGE	American Capital Mortgage Investment	3.20	16.0	Q
HTS	Hatteras Financial	2.80	15.5	Q
AI	Arlington Asset Investment	3.50	15.1	Q
DX	Dynex Capital	1.16	14.6	Q
EFC	Ellington Financial	3.08	14.5	Q
EROC	Eagle Rock Energy Partners	0.88	14.3	Q
RNO	Rhino Resource Partners	1.78	14.0	Q
NLY	Annaly Capital Management	1.60	13.8	Q
RSO	Resource Capital	0.80	13.7	Q
KCAP	KCAP Financial	1.12	13.4	Q
ANH	Anworth Mortgage Asset	0.60	13.3	Q
TWO	Two Harbors Investment	1.24	13.2	Q
LRE	LRR Energy	1.94	13.1	Q
NTI	Northern Tier Energy	2.72	13.0	Q
NMM	Navios Maritime Partners	1.77	12.5	Q
NCT	Newcastle Investment	0.68	12.5	Q
OZM	Och-Ziff Capital Management Group	1.29	12.4	Q
WIN	Windstream	1.00	12.2	Q
PDH	PetroLogistics	1.20	10.0	Q
LINE	Linn Energy	2.90	12.0	M
RNF	Rentech Nitrogen Partners	2.95	11.9	Q
SCCO	Southern Copper	3.31	11.9	Q
QRE	QR Energy	1.95	11.9	Q
PSEC	Prospect Capital	1.32	11.9	M
OAK	Oaktree Capital Group	6.04	11.8	Q
TICC	TICC Capital	1.16	11.7	Q
ZFC	ZAIS Financial	1.80	11.5	Q
FULL	Full Circle Capital	0.92	11.4	M
SRV	Cushing MLP Total Return Fund	0.90	11.3	Q
NRP	Natural Resource Partners	2.20	11.2	Q
MCC	Medley Capital	1.48	11.2	Q
NSLP	New Source Energy Partners	2.20	11.1	Q
FSC	Fifth Street Finance	1.15	11.0	M
BBEP	BreitBurn Energy Partners	1.92	11.0	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	6.7%	BUY	E.I. du Pont Nemours	DD	3.2%	BUY
Annaly Capital Mgmt. 7.625% C	NLY-C	8.0%	BUY	Foot Locker	FL	2.5%	BUY
Apollo Commercial 8.625% A	ARI-A	8.6%	BUY	Genuine Parts	GPC	2.8%	BUY
Armour Residential 8.25% A	ARR-A	9.2%	BUY	Johnson & Johnson	JNJ	3.1%	BUY
Ashford Hospitality Trust 9.00% E	AHT-E	8.5%	BUY	Six Flags Entertainment	SIX	5.5%	BUY
Aspen Insurance 7.25% Perpet.	AHL-B	7.3%	BUY	TAL International	TAL	6.4%	BUY
Endurance Specialty 7.50% B	ENH-B	7.5%	BUY	Verizon Communications	VZ	+4.5%	BUY
General Electric 4.875% Notes	GEB	5.5%	BUY	<b>REGIONAL BANKS</b>			
Goldman Sachs 6.125% Notes	GSF	6.3%	BUY	New York Community Bank	NYCB	6.8%	BUY
Goodrich Petroleum 10.0% Series C	GDP-C	9.6%	BUY	Valley National Bancorp	VLY	6.9%	BUY
Hersha Hospitality Trust 8.00% B	HT-B	7.9%	BUY	<b>LARGE BANKS</b>			
Kimco Realty 5.50% J	KIM-J	6.7%	BUY	JPMorgan Chase	JPM	2.7%	BUY
Lexington Realty Trust 6.50% Series C	LXP-C	6.8%	BUY	Wells Fargo	WFC	2.8%	BUY
Maiden Holdings 8.00% Notes	MHNB	7.9%	BUY	<b>REAL ESTATE INVESTMENT TRUSTS</b>			
NorthStar Realty 8.875% Series C	NRF-C	9.1%	BUY	American Capital Agency	AGNC	18.5%	DNA
PartnerRe 5.875% Series F	PRE-F	6.6%	BUY	EPR Properties (Entertainment Properties Tr.)	EPR	6.5%	BUY
Pennsylvania REIT 8.25% A	PEI-A	8.2%	BUY	Home Properties	HME	4.9%	BUY
Protective Life 6.25% Debentures	PL-C	6.7%	BUY	Hospitality Properties Trust	HPT	7.0%	BUY
Qwest Corp. 7.50%	CTW	7.3%	BUY	Inland Real Estate	IRC	5.8%	BUY
Raymond James Fin. 6.90% Senior	RJD	6.7%	BUY	Omega Healthcare investors	OHI	6.6%	BUY
SLM (Sallie Mae) Series A 6.97%	SLMAP	7.6%	BUY	STAG Industrial	STAG	6.0%	BUY
Summit Hotel 7.875% Series B	INN-B	7.9%	BUY	Starwood Property Trust	STWD	7.4%	BUY
Teekay Offshore Partners 7.25% A	TOO-A	7.3%	BUY	<b>ENERGY: GENERAL PARTNERS</b>			
Travel Centers of America 8.25%	TANN	8.0%	BUY	Crosstex Energy Inc.	XTXI	2.5%	BUY
Vornado Realty 5.70% K	VNO-K	6.8%	BUY	Kinder Morgan, Inc.	KMI	4.2%	BUY
<b>MONTHLY-PAYING CLOSED-END FUNDS</b>				Spectra Energy	SE	3.7%	BUY
AllianceBernstein Glb. High Income	AWF	8.3%	BUY	Targa Resources Corp.	TRGP	3.1%	BUY
Alliance Bernstein Income Fund	ACG	6.0%	BUY	Williams	WMB	4.0%	BUY
BlackRock Muni Assets	MUA	6.5%	SELL	<b>ENERGY PARTNERSHIPS</b>			
BlackRock Muni Holdings	MUH	7.5%	SELL	Calumet Specialty Products	CLMT	9.0%	BUY
CBRE Clarion Global Real Estate	IGR	6.9%	BUY	Exterran Partners	EXLP	7.5%	BUY
Dreyfus High Yield Strategies	DHF	9.8%	BUY	Global Partners	GLP	7.0%	BUY
F&C/Claymore Preferred	FLC	8.9%	BUY	MarkWest Energy Partners	MWE	5.0%	BUY
Guggenheim Strategic Opp	GOF	10.0%	BUY	PAA Natural Gas Storage	PNG	6.4%	DNA
Invesco Dynamic Credit Opp	VTA	7.1%	BUY	<b>PARTNERSHIPS EX-ENERGY</b>			
Reeves Utility Income	UTG	6.6%	BUY	America First Tax Exempt	ATAX	7.2%	BUY
<b>CEF GROWTH OPPORTUNITIES</b>				Blackstone Group	BX	5.7%	BUY
First Trust/Aberdeen Emerging Opp	FEO	7.9%	SELL	Capital Product Partners	CPLP	10.5%	BUY
Gabelli Multimedia	GGT	8.6%	BUY	Carlyle Group	CG	7.8%	BUY
H&Q Life Sciences	HQL	7.4%	BUY	<b>UTILITIES</b>			
Kayne Anderson MLP	KYN	6.5%	BUY	Allete	ALE	4.0%	BUY
Nuveen Diversified Dividend & Inc.	JDD	9.1%	BUY	Avista	AA	4.6%	BUY
<b>CANADA Stocks</b>				CenterPoint Energy	CNP	3.6%	BUY
Liquor Stores	LIQ.TO	6.2%	BUY	Dominion Resources	D	3.9%	BUY
Morneau Shepell	MSI.TO	5.6%	BUY	NextEra Energy	NEE	3.3%	BUY
Student Transportation	STB.TO/STB	8.2%	BUY	Oneok	OKE	3.0%	DNA
<b>CANADA REAL ESTATE INVESTMENT TRUSTS</b>				Southern Company	SO	4.9%	BUY
Artis REIT	AX.UN	7.4%	BUY	Westar Energy	WR	4.4%	BUY
Calloway REIT	CWT.UN	6.1%	BUY	<b>OIL</b>			
<b>DIVIDEND SPECULATORS</b>				Chevron	CVX	3.3%	BUY
GEO Group	GEO	6.4%	BUY	HollyFrontier	HFC	7.2%	BUY
Navios Maritime Holdings	NM	3.9%	BUY	SeaDrill	SDRL	7.9%	BUY
Northern Tier Energy	NTI	16.3%	BUY	<b>BUSINESS DEVELOPMENT CORPS</b>			
Old Republic International	ORI	5.1%	BUY	Hercules Technology Growth	HTGC	7.7%	BUY
Sun Communities	SUI	5.9%	BUY	KCAP Financial	KCAP	13.4%	DNA
<b>ETF MONTHLY INCOME</b>				Triangle Capital Resources	TCAP	7.4%	BUY
iShares High Yield Corporate	HYG	6.4%	BUY	<b>INSURANCE</b>			
iShares Invest. Grade Corporate	LQD	3.9%	BUY	Arthur J. Gallagher	AJG	3.4%	BUY
iShares JPM Emerging Mkts.	EMB	4.7%	BUY	Cincinnati Financial	CINF	+3.7%	BUY
iShares S&P U.S. Preferred	PFF	5.8%	BUY	<b>RURAL TELECOMS</b>			
PShares Senior Loan Portfolio	BKLN	4.7%	BUY	Hickory Tech	HTCO	5.8%	BUY
<b>RURAL TELECOMS</b>				NTELOS	NTLS	10.1%	DNA

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

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