

Hand-Picked Income Ideas from the Best Minds on Wall Street

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INCOME INSIGHTS

Convertible Bonds: Much Of The Upside With Less Downside

Since the beginning of the year, *Income Insights* has featured a range of investment vehicles including dividend-paying stocks, master limited partnerships, preferred stocks, bonds, floating-rate funds, equity income funds and utilities. Today, *The Turnaround Letter* Editor George Putnam introduces one more option for income investors: convertible bonds.

“Convertible bonds are an attractive vehicle for investors who want equity-like returns but cannot bear the volatility of stocks. A convertible may also provide more current income than the underlying stock.

“A convertible bond is a bond that can be exchanged for stock at a certain price ratio. As a bond or a debt obligation of the company, the convertible pays you interest periodically and then pays you back your principal at maturity even if the stock declines in price. It also gets paid off ahead of the stock if the company files for bankruptcy. These bond-like characteristics usually keep the convertible from falling too far if the company has poor results.

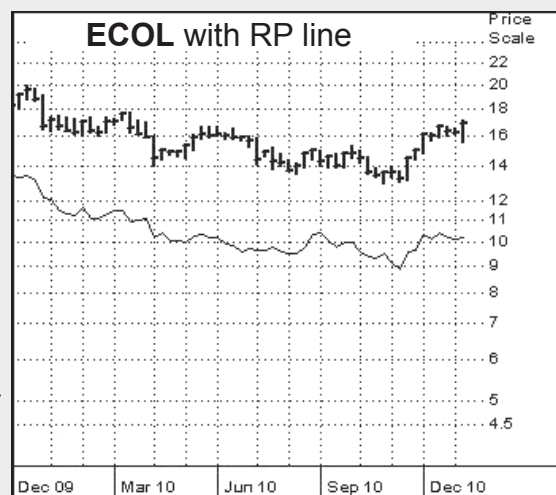
“The trouble with straight bonds is that your return is limited to the principal plus interest. And prior to maturity, straight bonds can fall in price when interest rates rise. However, a convertible gives you considerably more gain potential. If things go well for the company and the stock rises, you can exchange your

(Continued on page 2)

SPOTLIGHT INVESTMENT: US Ecology, Inc. (ECOL)

“Yucca Mountain is the location in Nevada that the U.S. Congress voted as the long-term storage facility for the nation’s nuclear waste, a process begun back in 1982. [It quickly became] a political issue, with every major presidential candidate pledging to halt the project in gambits to earn Nevada’s electoral votes. And now, effectively, Yucca has been tabled by the president, who ordered federal analysts to halt the final review of safety data. With no safety sign-off, no Yucca storage. As a result, nuclear waste will continue to be held where it has been, in less than ideal facilities primarily located in New York, Pennsylvania, North Carolina, South Carolina and Illinois (but many in other states, usually on the site of the power plants themselves). The problem is that storage capacity is running out, with any more temporary storage

(Continued on page 3)



Dick Davis Dividend Digest uses the impartial, time-tested Dick Davis system to bring you the best income-generating ideas from the world’s most successful investment experts.

convertible for stock and participate in most of the equity gains. Moreover, this equity gain potential often reduces the negative effect of a rise in interest rates.

“Of course, there is no totally free lunch. From a bond investor’s point of view, convertibles usually pay lower rates of interest than straight bonds, and they are often junior in right of payment (meaning that they are less likely to get paid off if the company files for bankruptcy). From the stock investor’s point of view, the exchange rate for the stock is usually set at a high enough level that you give up some of the upside if the stock rises. But for those willing to make these compromises to reduce volatility, convertibles can be very appealing.

equipment makers, a group that has seemed to be on the verge of a rebound ever since it crashed in 2000. Telecom equipment sales may finally be poised to pick up, but the Ciena convertible bond may be a better way to play this sector in case the recovery is delayed yet again.

“Evergreen Solar (Nasdaq: ESLR) was a darling of ‘green’ investors not so long ago, with its stock topping 18 in early 2008. The company has been hurt by foreign competition recently, but it has the potential to come back as solar energy comes into more wide-spread use. These bonds have a very high current yield, but they might not recover much if results don’t improve and the

Company	Coupon	Maturity	Bond Price	Stock Price*	Conversion Price
AMR Corp (AMR)	6.25%	10/15/14	114	8.52	9.9
Ciena Corp. (CIEN)	3.75%	10/15/18	97	14.3	20.17
Evergreen Solar (ESLR)	13.00%	4/15/13	83	0.93	1.9
MGIC Investment (MTG)	5.00%	5/1/17	111	8.88	13.44
Morgan Stanley (MS)	1.10%	6/24/15	98	26.32	27.32
United Continental (UAL)	4.50%	6/30/21	106	28.05	32.64

* As of 11/9/10

“Convertibles can be particularly attractive in turnaround situations, which often have great gain potential but also significant risk of loss if the turnaround doesn’t pan out. If you can find a convertible where the stock price is not too far below the conversion price, you can capture most of the gains if things go well, and your risk of loss is significantly reduced if things go badly. The companies discussed below appear to be in the process of turning around to some degree, and they all have bonds (detailed in the table) that are convertible into stock at attractive prices.

“AMR (NYSE: AMR) and United Continental (Nasdaq: UAL), two of the largest U.S. airlines, have been showing signs of strong recovery recently as the economy strengthens and business travel increases. We expect the good results to continue, but airlines can be notoriously volatile because they are vulnerable to a host of factors such as economic conditions, oil prices and even terrorist activity.

“Ciena (nasdaq: CIEN) is one of the premier telecom

company is forced to file for bankruptcy. ...

“MGIC Investment (NYSE: MTG) is the leading private provider of mortgage insurance. Its results are improving as the housing industry stabilizes. Moreover, the federal government has indicated that it wants to turn more of the mortgage insurance business over to the private sector. The convertible bond gives you some protection if housing losses pick up again. ...

“Morgan Stanley (NYSE: MS), as we mentioned last month, is one of the two remaining large investment banks in the U.S. (with Goldman Sachs). It is well positioned to move higher if the financial recovery continues, but the convertible gives you downside protection if either the sector or the company falters.”

[George Putnam, III, The Turnaround Letter, www.turnaroundletter.com, 617-573-9550, 11/10](http://www.turnaroundletter.com)

Editor’s note: We are only able to feature a selection of the Turnaround Letter’s convertible recommendations here. For the full list, consider a subscription to the Turnaround Letter.

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either likely to be found inadequate and therefore blocked by the courts, or simply facing the same heated local opposition that stifled Yucca. This is true even of lower-level hazardous waste sites. Yucca may still come to pass, but it will likely be a legal mess that takes years to resolve. We foresee the gridlock creating a trickle-down effect. Some waste sitting in the temporary repositories can be treated to be less toxic. Those companies that have the ability to treat and store various levels of waste, both nuclear and lower-level hazardous, will enjoy very high barriers to competitors' entry and a new spurt in spending to try and mitigate what can be mitigated now.

“One company in the hazardous waste space, Perma-Fix (PESI) made an interesting decision last week: It's shedding its businesses of lower-level hazardous waste to concentrate solely on higher-level nuclear waste opportunities. ... The company's move in turn bolsters the competitive position of companies that can handle some nuclear waste types as well as hazardous chemicals in Superfund-type sites and industrial manufacturing processes.

“**US Ecology, Inc.** (ECOL 16.66 Nasdaq – yield 4.30%) should benefit from the lack of a central nuclear waste depository, the exit of Perma-Fix from non-nuclear waste business and the large backlog of hazardous waste sites in the U.S. The Idaho-based company operates just one of two full-service low-level radioactive waste sites in the country in Richland, Washington [as well as] other sites that handle more common waste—contaminated soils from industrial processes and lower-level radioactive waste. ...

“For the past four years, US Ecology's main non-radioactive waste business has been taking the waste soils from a notorious Honeywell site in Jersey City, New Jersey, a site so remarkably contaminated by carcinogens such as hexavalent chromium, that in some spots soil 25-feet deep needed to be carted away. That project ended this year (and the site is becoming

a college campus), and US Ecology's revenues have fallen 45% as a result, although ignoring the Honeywell business, sales were up 11% in the second quarter. Yet the company appears to be on good-enough footing that investors are accumulating the stock.

“This is in response to another high profile, legally contentious project that promises to support US Ecology's bottom line: the General Electric Hudson River cleanup project. For decades, a GE plant in Hudson Falls, New York, outside the city of Glens Falls, emitted tons of PCBs into the river, making the 200-mile stretch of the Hudson south to Manhattan's Battery Park the nation's largest Superfund site. After years of legal wrangling, the EPA finally forced GE to begin cleaning up the river this year. One of three vendors to haul away that material to its various landfills is US Ecology. ...

“For the year, the company expects to earn between 57 cents and 67 cents a share net income. US Ecology also features an excellent dividend yield of over 4%. ... Long term, the company's capacity shouldn't be a problem: It has five years' capacity at both Idaho and Quebec with space for more to be permitted, capacity of 10 years at Nevada and Texas, and over 20 years at Washington. ...

“After trading in a broad range between 20 and 30 from 2006 to mid-2008, US Ecology shares shifted to a range between 15 and 20 for 2008 and 2009, and then began slipping under 15 as the Honeywell job neared completion. Shares began seeing excellent volume in mid-September and strong volume support continued between 15 and 16. This should provide a very sturdy base from which shares can work higher. It's not an explosive stock, so be wary of chasing it much higher. Shares are mildly overbought here, so buy on dips. ... Suggested Buy Range: 14-16.”

Brendan Coffey, Cabot Green Investor, www.cabot.net, 978-745-5532, 10/14/10

Investment Information

US Ecology, Inc. (Nasdaq: ECOL) Boise, Idaho Website: http://www.americanecology.com	Market Capitalization: \$304.97 million
Why US Ecology: • Unique Position in an Industry with High Barriers to Entry • Dividend Yield Over 4% • Stock in Solid Technical Position	Indicated Annual Dividend: \$0.72 Yield: 4.30%
	52-week Low/High: \$12.98/\$17.67 Shares Outstanding: 18.31 million Institutionally Owned: 66%

“**Ameren Corp.** (AEE 29.54 NYSE – yield 5.20%) is a public utility holding company. Through its primary subsidiaries, which include Union Electric Company, Central Illinois Public Service Company, Ameren Energy Generating Company, Central Illinois Light Company, and Illinois Power Company, the company operates rate-regulated electric generation, transmission, and distribution businesses, rate-regulated natural gas transmission and distribution businesses, and merchant electric generation businesses in Missouri and Illinois. ... While Ameren’s earnings have increased from \$2.82 to an estimated \$2.97 over the past 5 quarters, they have shown acceleration in quarterly growth rates when adjusted for the volatility of earnings. This indicates an improvement in future earnings growth may occur. Nearly 40 years of research have shown that the change in the growth of earnings per share is an important factor that drives stock price performance. Ford measures earnings momentum and analysts’ forecast changes to get an early indication of changing earnings patterns. ... Relative valuation is very positive. Ameren’s operating earning yield of 10.2% ranks above 91% of the other companies in the Ford universe of stocks, indicating that it is undervalued. ... Ameren Corp. is a Strong Buy.”

[Richard Segarra, CFA, Ford Equity Research Report, www.fordequity.com, 800-842-0207, 10/29/10](http://www.fordequity.com)

“**Repsol YPF S.A.** (REP 27.56 NYSE – yield 3.40%) shares are undervalued at 11.3 times latest 12-month EPS. The company’s operations in China, Argentina and Brazil will likely lead to exciting growth during the next decade. The dividend provides a generous yield of 3.7%. We expect the stock price to reach our Minimum Sell Price of 42.99 within two years. REP is low risk. Repsol, based in Madrid, explores for, develops and produces crude oil products and natural gas. The company also refines petroleum and transports petroleum products and liquified petroleum gas. Repsol operates more than 6,000 gas stations located around the world. The company’s Argentine subsidiary, YPF, contributes 62% of total production. Repsol and Sinopec, based in China, announced the formation of a private company to be funded 60% by Repsol’s Brazilian development projects and 40% by an infusion of \$7.1 billion of cash from Sinopec. The privately held alliance will greatly accelerate the development of Repsol’s vast exploratory blocks off the coastline of Brazil. Revenues increased 4% and EPS climbed 61% during the 12 months ended 6/30/10. We forecast revenue and earnings growth of 5% and 16% during the next 12 months. Maximum Buy Price: \$26.73.”

[J. Royden Ward, Cabot Benjamin Graham Value Letter, www.cabot.net, 978-745-5532, 11/10](http://www.cabot.net)

“**Total S.A.** (TOT 54.98 NYSE – yield 4.60%) is the fifth-largest publicly-traded integrated oil and gas company in the world. Its global businesses cover three segments: 1) upstream exploration and production, 2) downstream refining and marketing and 3) chemicals. We view Total as an attractive international major oil play due to its low cost structure, high profitability and strong balance sheet. While continued sluggishness in the European continent is drawing near-term headwinds for Total, the French oil giant is staying focused on deriving long- term growth by staying committed to projects already underway, as well as keeping an open mind toward potential upstream acquisitions. Too, its valuation is compelling as the stock currently trades at less than 9 times estimated consensus forward earnings. Its price-to-sales multiple of 0.7 leaves the shares changing hands at a discount to its Integrated Oil peer group.”

[John Buckingham, The Prudent Speculator, www.prudent-speculator.com, 877-817-4394, 11/2/10](http://www.prudent-speculator.com)

“In late 2002 **Xcel Energy, Inc.** (XEL 24.12 NYSE – yield 4.20%) was on the brink of Chapter 11. That’s when management negotiated a severing of ‘cross default’ arrangements with its bankrupt power generation unit NRG Energy. Ever since, the company has been squarely focused on the core 11-state electric and gas utility, repairing relations with regulators while cutting debt and operating risk. Its success implementing energy efficiency and renewable power initiatives while boosting rate base, earnings and dividends has been particularly remarkable. That includes the past summer’s commissioning of the first U.S. combination coal-fired/solar thermal electrical generation power plant in Colorado. ... In late June Xcel’s rating was boosted to A- by S&P, with an ‘excellent’ business risk profile. The rater cited ‘supportive’ regulation, demonstrated ability to handle large projects and strong finances. Xcel now expects to earn the upper half of its profit guidance range of \$1.55 to \$1.65 for full-year 2010. That’s after reporting strong third-quarter EPS of 62 cents, up from last year’s 48 cents. ... Recent debt issues of 30-year bonds at just 4.85% and five-year debt at 1.95% have locked in low-cost capital and largely mitigated refinancing and equity issue needs through 2011. And with several rate cases on track for completion by early next year, the company now expects to earn \$1.65 to \$1.75 a share next year. That’s on target with a longer-term objective of 5% to 7% annual earnings growth and it augurs more dividend and share price growth ahead for this very steady company. Buy XEL up to 23.”

[Elliott H. Gue and Roger S. Conrad, Personal Finance, www.pfnnewsletter.com, 800-832-2330, 11/6/10](http://www.pfnnewsletter.com)

“**Pason Systems, Inc.** (PSI 13.13 Toronto – yield 2.67%) reports that its revenue rose 141.5% in the three months ended September 30, 2010, to \$68.7 million from \$28.4 million a year earlier. Cash flow per share climbed to \$0.33 from \$0.09. Stronger oil and gas industry drilling and higher selling prices for the company’s equipment pushed up results. Pason rents equipment that its customers use to monitor and manage land-based oil rigs. ... The company is heavily reliant on the resource sector. That leaves it vulnerable to volatile oil and natural-gas prices. However, Pason’s revenue and cash flow should continue to rise as oil and gas drilling recovers further. Pason is raising its semi-annual dividend by 6.3%, to \$0.17 from \$0.16, with the January 2011 payment. ... Pason Systems is still a buy.”

Patrick McKeough, *Stock Pickers Digest*, www.tsinetwork.ca, 888-292-0296, 11/5/10

“**Altria Group, Inc.** (MO 25.58 NYSE – yield 5.90%), the largest U.S. tobacco company, reported third-quarter profit that beat analysts’ estimates, helped by higher prices for Marlboro cigarettes and smokeless tobacco sales. Net income rose 28% to \$1.13 billion, or 54 cents a share, from \$882 million, or 42 cents a year ago. ... Lower restructuring costs, including the closing of a cigarette factory in Cabarrus County, North Carolina, in 2009, also contributed to profit. Shipments dropped 2.4% to 36.6 billion cigarettes, as higher prices and smoking bans have crimped demand. Marlboro’s volume slipped 0.3% to 31.8 billion cigarettes. At the same time, Altria’s discount cigarettes saw market share fall to 3.1% from 3.6% of the U.S. market, Altria said. ... Altria raised its full-year forecast for per-share earnings by 2 cents to a range of \$1.83 to \$1.87 because of tax benefits. On an adjusted basis, it left unchanged its July forecast of \$1.87 to \$1.91, representing growth of 7% to 9%. Analysts project \$1.89. That leaves company currently trading at 13X earnings which is a reasonable valuation. In fact, we think MO can trade at 15X earnings giving the company a price target of \$28.38. As a result, MO still has 18-20% to the upside in it over the next 6-8 months—not to mention that juicy 6% dividend. We rate MO as a BUY under \$24.00/share.”

Steve Christ, *The Wealth Advisory*, www.angelpub.com, 877-528-2645, 10/22/10

Second Opinion: Altria Group

“What led me to new buy Altria was the 6% dividend and the steady rise in earnings—up 28% in the latest quarter. You see, Altria recently boosted its dividend, and as a result ... Reynolds American (NYSE: RAI) followed suit, and boosted its dividend yield and announced that it would have a 2-for-1 split. Due to the weak U.S. dollar and Altria’s growing dividends, I believe there’s a significant upside for the stock. MO already reported earnings for the third quarter, so we’ll see the next report in late January. Buy this conservative stock under \$27.”

Louis Navellier, *Blue Chip Growth*, www.bluechipgrowth.com, 800-718-8289, 11/10

“We’re adding one new preferred: ... **Ameriprise Financial 7.75% Senior Notes Preferred ‘A’** (AMP-A 27.53 NYSE – yield 1.31%). Ameriprise provides insurance, investment, and asset management services through 12,000+ financial advisors. The preferreds are trading 8% above their issue price. Even so, the yield to call (average annual return if called on call date) is 4.9%, which is high for A-rated preferreds.”

Harry Domash, *Dividend Detective*, www.dividenddetective.com, 866-632-1593, 11/4/10

“**H&R Real Estate Investment Trust** (HR.UN 20.55 Toronto – yield 4.19%) owns interests in 33 office buildings, 118 industrial properties and 124 retail properties across Canada. H&R has a 99.1% occupancy rate. In the three months ended September 30, 2010, H&R’s revenue was \$152.1 million. That’s up 1.0% from \$150.7 million a year earlier. Cash flow per unit rose 5.6%, to \$0.38 from \$0.36. The REIT raised its yearly distribution by 16.7%, to \$0.84, with the 2010 third-quarter payment. It will now raise its distribution by \$0.03 per quarter, starting with the 2010 fourth-quarter payment, until the annual rate reaches \$1.05 in the second quarter of 2012. Even with the full increase, H&R will have a low payout ratio and room for more increases. H&R REIT is a buy.”

Patrick McKeough, *Canadian Wealth Advisor*, www.tsinetwork.ca, 888-292-0296, 11/10

“**Vulcan Materials Co.** (VMC 42.12 NYSE – yield 2.40%)—The producer of construction aggregates—primarily crushed stone, sand and gravel—reported Q3 earnings of \$0.08 per share vs. \$0.10, worse than the consensus of \$0.18/share. Revenue fell 9.3% to \$669.8 million vs. consensus of \$775.4 million. Recent reversal with heavy volume could be attributed to short covering. Breaking out of its trading range of 35-37 since mid-August is a plus. Buying Range: 35-38, Near-term Objective: 45, Intermediate-term Objective: 52, Stop Loss: 33.”

Joseph Parnes, *Shortex Market Letter*, www.shortex.com, 800-877-6555, 11/3/10

“**Middlesex Water Co.** (MSEX 18.05 Nasdaq – yield 4.00%) looks especially appealing in the current environment. Established in 1897, Middlesex Water provides a full range of regulated and non-regulated water and wastewater services to consumers in New Jersey and Delaware. It doesn’t get much more conservative than the water utility business. Water utilities are also likely to benefit from a powerful secular tailwind over coming decades. America’s water and wastewater infrastructure is in a state of disrepair. The American Society of Civil Engineers gives our water and wastewater infrastructure a D-minus grade. Billions need to be invested to upgrade the nation’s water systems. Because water utilities are regulated, there is a mechanism in place that provides for a guaranteed rate of return on invested capital. So then, higher capital investment translates into higher earnings and potentially higher dividends. Middlesex Water has paid a dividend since 1912 and increased its dividend for 37 consecutive years. Over the last 12 months, you are up 16% in shares of Middlesex. What’s to hate about that? But don’t anticipate double-digit returns from the stock moving forward. Remember this is a conservative business. You take the 4.25% yield and look for modest capital appreciation that mirrors the rate of inflation. You are potentially looking at a 4.25% inflation-adjusted yield. That has some appeal today.”

Richard C. Young, *Richard C. Young's Intelligence Report*, www.intelligencereport.com, 800-301-8968, 11/10

“The Wall Street bullish percentage moved up on Friday from 56% and bull alert status to 62% and bull confirmed. The chart has a triple top P&F buy signal at that level and now faces the down trendline, from the 2009 tops in overbought territory. The percentage would now move to bull correction at 56% and have to fall to 28% to be bear confirmed. New buy signals in ... **Greenhill & Co., Inc.** (GHL 79.26 NYSE – yield 2.30%) and **Och-Ziff Capital Management Group LLC** (OZM 15.28 NYSE – yield 2.60%) were responsible for the up move. ... Greenhill made its high in this bull market at \$96 in October 2009. It then corrected all the way down to \$81 in June 2010 before recovering to \$82 in September. The correction from there to \$75 held at the bullish support line. The buy signal was at \$60. Traders may consider buying on a pullback to \$78 with a stop loss at \$73. Och-Ziff Capital Management made its bear market low at \$3.25 in October 2008. A great percentage rally followed to a high for this bull market at \$18.50 in April 2010. The correction that followed barely held at the bullish support line at \$12. The buy signal on Friday was on a triple top breakout at \$16. Buy with a bull trap stop at \$14.50.”

Michael Burke and John Gray, *Investors Intelligence*, www.investorsintelligence.com, 914-632-0422, 11/5/10

“**Chunghwa Telecom Co., Ltd.** (CHT 24.96 NYSE – yield 4.00%) is the largest integrated telecom in Taiwan with over 20 million subscribers in a population of 23 million. ... Despite deregulation in 1996 and being privatized in 2005, the government, which is also Taiwan’s telecom regulator, still holds about 35% of Chunghwa’s shares. ... Chunghwa has historically distributed dividends equal to about 90% of net income. Management said in its latest annual report it intends to maintain this dividend payout ratio going forward. In addition to cash dividends, over the past four years the company has implemented what it calls share reduction programs. These involve stock splits and returning capital to shareholders. ... For the first half of 2010, revenue increased by 2% to NT\$99.3 billion, thanks largely to a better than 4% increase in the wireless and Internet segments offsetting a 2% decline in local phone line services. Per share earnings rose by 12% over the same period last year to NT\$2.58 per share, mainly due to revenue growth and a lower income tax rate. The company has a strong balance sheet, with long-term debt of NT\$325 million less than 4% of total capital and cash reserves of NT\$92.8 billion (US\$2.9 billion). ... With its ongoing share reduction programs and steadily increasing payouts, Chunghwa is a shareholder-friendly company that offers a reliable income stream. Its solid yield of nearly 7% is backed by steady cash flow from a captive market. Its dominance in all segments of the telecom business should ensure the dividends keep coming for years.”

Carla Pasternak, *High-Yield International*, www.streetauthority.com, 301-216-2005, 11/1/10

“We are maintaining our BUY rating on Focus List selection **AT&T, Inc.** (T 29.18 NYSE – yield 5.80%) with a target price of \$32. The company reported revenue growth for the third straight quarter in 3Q10. The iPhone has continued its blockbuster success, anchoring a strong Wireless segment and boosting data growth. Apple has been quite supportive of AT&T over their multiyear relationship, though rumors abound that Apple may decide to make the iPhone available to other U.S. carriers in 2011. We think the loss of iPhone exclusivity is a potential risk to an investment in AT&T. Given the company’s industry-leading position, we consider valuation metrics to be favorable. AT&T recently reported 3Q10 results. Revenue rose 2.8% to \$13.675 billion, as wireless growth of 10.5% and data growth of 7.4% offset declines in traditional voice services, down 12.2%, and directory, down 17.3%. The operating margin also narrowed 20 basis points from last year to 17.3%.”

John Staszak, *Argus Weekly Staff Report*, www.argusresearch.com, 212-425-7500, 11/1/10

“**Campbell Soup Co.** (CPB 36.05 NYSE – yield 3.10%) is the world’s largest maker of canned soups. It also makes Prego canned pasta and sauces, Pepperidge Farm cookies and V8 vegetable juices. The company gets 30% of its sales from international markets. ... Campbell aims to spur its long-term growth through higher sales in emerging markets. It now sells its soups in 22 Russian cities, and aims to reach 100 cities in the next few years. In China, Campbell recently launched a low-cost can of broth. Canned foods account for a tiny fraction of total food consumption in these countries, so there’s lots of room to grow. Campbell is also developing more healthier products. For example, it now sells low-sodium soups and vegetable drinks, as well as baked goods made from whole grains. These premium products generate higher profit margins than Campbell’s regular products. ... Sales fell to \$7.6 billion in 2009, but rose to \$7.7 billion in 2010. ... Earnings improved to \$2.42 a share (or \$844 million) in 2010. If you exclude unusual costs, the company would have earned \$2.47 a share in 2010, up 11.8% from \$2.21 in 2009. ... Earnings should grow to \$2.63 a share in fiscal 2011. The stock trades at 13.7 times that figure. Campbell Soup is a buy.”

Patrick McKeough, Wall Street Stock Forecaster,
www.tsinetwork.ca, 888-292-0296, 11/10

“**Johnson & Johnson** (JNJ 64.31 NYSE – yield 3.40%) may seem out of fashion in today’s frivolous, hyperactive, and alpha-starved investment environment; but this \$170 billion dollar health care and personal product empire has been a wealth creating, income producing, compounding machine for well over a century. ... Johnson & Johnson makes and markets thousands of diverse health care and personal care products, including such household medicine cabinet staples as Tylenol and Listerine, as well as some of the world’s most sophisticated medical devices and diagnostic equipment. JNJ has been paying a dividend since 1944 and has increased it annually for over 47 years. ... For every share you might have bought in 1979 at \$0.85, you would now be receiving \$2.16 in annual dividends, or more than 2.5 times your initial investment—each and every year—and growing to boot! Going forward, you can be sure we do not anticipate this kind of supercharged income growth. However, our analysis indicates that Johnson & Johnson should be able to continue to generate positive cash flow from its stable of products and continue to pay and increase its dividends for years to come. As long as that’s the case, and the price of the stock remains reasonable by our valuation measures; we’ll continue utilizing the dividend and dividend growth attributes of JNJ to provide growing income to our clients.”

Mark Deschaine, Viewpoint, www.deschaineandcompany.com,
 618-397-4102, 10/10

Procter & Gamble was recommended in no fewer than four advisories this month. Below are two of the recommendations.

“**Procter & Gamble Co.** (PG 64.81 NYSE – yield 3.00%) held its annual meeting on October 12. Chairman, president and chief executive officer Bob McDonald reviewed the highlights of the year to June 30. He also laid out plans to achieve further growth in fiscal 2011. P&G remains a buy for high and rising dividends and long-term share price gains. Mr. McDonald summarized P&G’s highlights in fiscal 2010: organic sales grew by 3% and the company’s core earnings per share rose 6%. ... Mr. McDonald also outlined some steps that P&G will take to keep growing. Foremost among them is a focus on innovation. ... In fiscal 2011, P&G is expected to earn \$3.96 a share, up by 7.9% from \$3.67 a share last year. ... P&G has an outstanding dividend record. It has paid dividends for 120 years—ever since it was incorporated in 1890. The current dividend of \$1.93 yields an attractive 3.1%. What’s more, P&G is what’s known as a ‘dividend aristocrat’. In the U.S., that term refers to companies that have raised their dividends for at least 25 years in a row. P&G has been even better, having raised its dividend in each of the past 54 years. It grew at an annual compound average rate of 9.5%. As we often point out, rising dividends supported by growing earnings attract income-seeking investors—who bid up the price of your shares.”

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www.adviceforinvestors.com, 800-804-8846, 10/22/10

Second Opinion: Procter & Gamble Co.

“Procter & Gamble, historically an expensive stock in terms of its dividend yield, has developed into a high dividend payer by the standards of the U.S. market. Based on the most recent dividend hike of almost 10% this year, Procter & Gamble has a yield of 3.1%. This dividend makes Procter & Gamble yet another one of a string of formerly expensive growth stocks from the Dow Jones Industrial Average that now sport above-average yields. ... The current 3% yield is competitive with corporate bond yields, and you have the added potential of having the dividend income rise over the years, helping you keep up with inflation. Moreover, Procter & Gamble has outpaced the S&P 500 Index fairly consistently over the past 22 years, in large part by holding its value better during the major bear markets of 2000-2003 and 2007-2009. All of the foregoing makes Procter & Gamble an attractive multi-year holding, especially for investors looking to generate income.”

Dr. Marvin Appel and Gerald Appel, Systems & Forecasts,
www.systemsandforecasts.com, 800-829-6229, 10/27/10

“**Sun Communities, Inc.** (SUI 33.96 NYSE – yield 7.40%) is one of the largest owners and operators of manufactured home communities in the country, with a portfolio of 136 properties in 18 states in the Midwest and Southeast. ... As a REIT, Sun is not taxed at the corporate level, provided it passes along at least 90% of taxable income to unitholders as distributions. A high level of income is paid in quarterly distributions, which have been \$0.63 per unit since 2006. ... The distribution seems secure as funds from operation (FFO), a key cash flow measure for REITs, of \$1.46 in the first half covered distributions by 1.16 times. Distributions have risen steadily by about 20% over the past decade, from \$2.10 paid in 2000. ... Sun has proven itself to be a very defensive investment. Despite the carnage of the financial crisis on most of the real estate industry, this REIT grew revenues and profits right through the recession. Amid record foreclosures and near 10% unemployment, revenues in 2009 were 9% higher and profits were 8% higher than in 2007. ... Sun should continue to generate defensive and dependable earnings and pay a secure distribution in an uncertain environment. Despite the recent price rise, the REIT still sells at a valuation of just 10.6 times price-to-cash flow compared to an industry average of 21.9 times. I will add SUI to the Dividend Optimizer Portfolio at the closing price on October 25. Risk Meter: Low; Ex-Dividend: January 10 (est.)”

Carla Pasternak, High-Yield Investing, www.streetauthority.com, 800-796-8025, 11/10

“**Simon Property Group, Inc.’s** (SPG 101.18 NYSE – yield 3.20%) portfolio continues to benefit from increasing occupancy, even as rents show signs of stabilizing. Recent strengthening in retailer fundamentals provides the necessary backdrop for SPG to begin to exert more leverage and push rents going forward. In this scenario, SPG would benefit from the shorter-term leases it has negotiated over the last two years at lower rent levels; notably, about 25% of its small shop space in the regional mall/outlet portfolio is scheduled to expire over the next two years at average rents more than 10% below the average rent of the portfolio. ... SPG reported 3Q10 FFO of \$0.90 per share, in-line with our estimate; however, excluding \$0.14 per share of transaction expenses (not in our estimate), FFO would have been \$1.04 per share. ... SPG trades at 16.3x 2011E CAD, an 8% discount to its peers; we think that the company’s underlying portfolio provides valuation support at current levels, despite a lack of near-term acquisition opportunities. We are raising our 12-month price target to \$107 from \$104, which implies a multiple of 17.7x our 2011 CAD estimate of \$6.05.”

Ross L. Smotrich, Barclays Capital Equity Research, www.barcap.com, 212-526-2306, 11/2/10

“**Provident Energy Trust** (PVX 7.86 NYSE – yield 9.10%) owns and manages a natural gas liquids midstream services and marketing business. ... The company is somewhat dependent, therefore, on the ‘frac spread,’ which is the difference between the price of the purchased gas and the natural gas liquids they sell. ... The good news for investors seeking dividend stability is that PVX also generates about 30% of its revenue from fees for contract processing, which smoothes out income flow. Provident has announced a new dividend level of \$0.045 per share per month, which represents a significant reduction from current levels of \$0.06 per unit. The new dividend is intended to allow for internally-generated cash flow to support organic growth, maintaining a strong balance sheet. Interestingly, Provident estimates that it will have accumulated approximately \$900 million in combined tax credits, which offset cash taxes until 2014. ... Technically, shares are trading for about half of peak value and have dipped toward the 200-day ema. This looks like an attractive buying opportunity.”

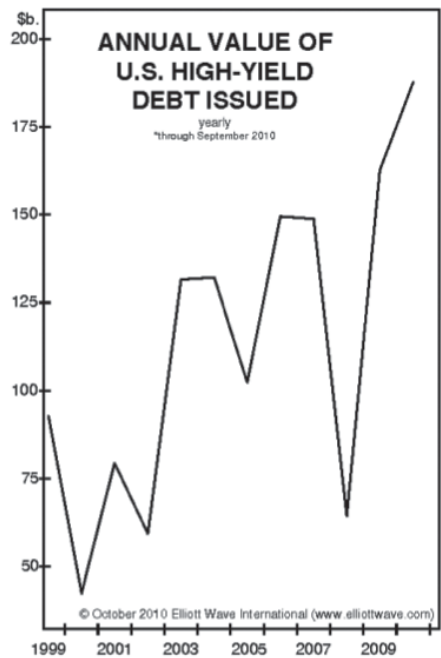
Gregory Spear, The Spear Report, www.spearreport.com, 800-491-7119, 10/29/10

“**Canfor Pulp Income Fund’s** (CFX.UN 16.26 Toronto – yield 18.70%) sole asset is a 49.8% interest in Canfor Pulp Limited Partnership, a leading global supplier of pulp and paper products operating three mills in Prince George, British Columbia. ... Canfor’s competitive advantage lies in the proximity of its facilities to British Columbia forests that are rich in high-strength, fine Northern Fibres. ... The most important question, of course, is how Canfor can possibly pay out a yield of 20% plus indefinitely. The answer, in my view, is it can’t—but management will continue to dish out a yield comfortably in the double-digits while providing a way for yield-seekers to play the rebound in Canada’s asset-rich forestry industry. One reason is management’s policy is essentially to pay out 90% or better of cash flow after debt service and maintenance capital costs. That’s in large part driven by parent Canfor Corp, which considers these operations to be an immensely profitable cash cow. ... More encouraging, Canfor has just survived a very difficult time for its market and—while conditions are still not ideal—it’s now enjoying some of the fruits of recovery. ... That’s more than enough to justify buying Canfor Pulp Income Fund up to my long-standing target of USD15 as well as my expectation for annual total returns of 15% to 20% going forward.”

Editor’s Note: Conrad raised his buy target to \$16 after Canfor’s October 26 earnings announcement.

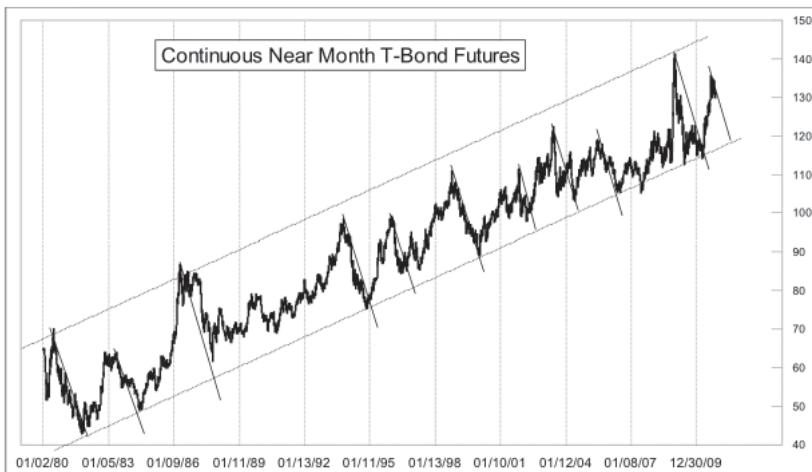
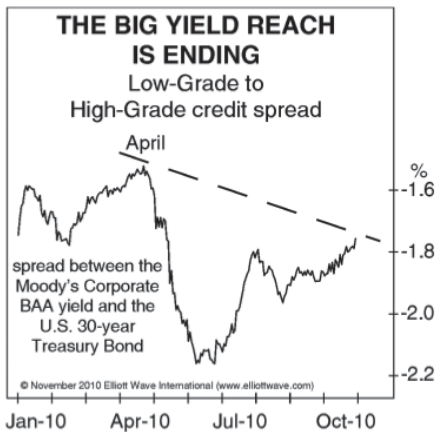
Roger Conrad, Canadian Edge, www.canadianedge.com, 800-832-2330, 10/8/10

“[This chart from] *The Elliott Wave Theorist* shows the record high sales of high-yield debt. How strong is the demand for yield in the current low-rate environment? This Bloomberg headline sums up the fairy tale expectations that persist in the market for junk bonds: ‘Goldilocks for Debt Means Biggest Gains Since 2002’ (November 1, 2010.) According to the article, bonds of all stripes are ‘poised for [their] best year since 2002 as slow growth, tame inflation and record low interest rates create an almost perfect environment for debt investors. ‘We are in a Goldilocks environment for fixed income that will last for the next five to 10 years,’ says the chief investment officer for a \$100 billion New York investment firm. The Goldilocks reference is important because it’s a psychological return to the late 1990s, when economists used the very same term to justify and celebrate a ‘not too hot, not too cold’ economic environment, whereby asset values and the economy would steadily rise ad infinitum. The image’s return now to justify and celebrate a world-wide credit structure that is bloated and contracting is a potent ‘sell’ signal for everything but the highest-quality short-term debt instruments. As EWT explained last month, when defaults are low, demand high, and worry almost non-existent, it is



time to sell junk bonds, not buy them. The chart [at left] shows that while stocks have marched back above the April highs, the spread between lower-grade and higher-grade debt is lagging. It is another important non-confirmation indicating the strong potential for a reversal in both asset classes. The next Primary-degree decline will shatter the optimism currently pervading all levels of debt. In the fairy tale, Goldilocks escapes from the three bears. Investors buying all these dubious bonds will not experience the same happy outcome. When the next bout of deflation hits hard, all but the highest quality debt will be wrecked.”

Steve Hochberg and Pete Kendall, *The Elliott Wave Financial Forecast*, www.elliottwave.com, 800-336-1618, 11/5/10



“The big chart here looks back at almost 31 full years of history for T-Bond price movements. ... It is obvious that there is an interesting uptrend channel going on, but the more interesting lines are the shorter downtrend lines, and here is the key: the slope of each of the downtrend lines in this chart is identical, meaning that they are all parallel to each other. Each is drawn from an important price high, and the way in which each line has mattered falls into one of two categories.

“For some, these lines constituted the downtrend lines for the correction, and the

breaking of that line signaled that the new uptrend was starting. For the others, which saw early breaks above the lines, we see that the final price low for each decline was right on the line. Pretty amazing, no? The current decline is just getting started. If we were to see T-Bond prices fall all the way to the lower boundary of the uptrend channel, and if that arrival were to be on the current parallel downtrend line, then that would mean a price of around 120 due in July 2011. But we cannot know yet exactly which way this current downtrend line is going to matter for T-Bond prices. We can only infer that it will matter in some way based on how lines with an identical slope have mattered after every major top over the last 31 years.”

Tom McClellan, *The McClellan Market Report*, www.mcoscillator.com, 800-872-3737, 11/3/10

“**Fidelity High Income** (SPHIX) is Fidelity’s mainstream high-yield offering. Although this fund does not have much emphasis on stocks (4%), it’s capable of stock-like returns given its robust income stream and the potential for capital appreciation. Over the years, Fidelity has demonstrated a savvy ability to pick bonds with below-average default risk—which leads to upgrades. The fund’s 30-day yield is currently about 6.5%, representing a healthy spread over Spartan Intermediate Treasury Index (1.8% yield). With defaults projected to stay at unusually low levels due to survivorship bias (firms that haven’t gone bust at this stage will probably be around for a while), there is probably still a decent amount of capital appreciation potential over the next 12 months. Rising interest rates are not a big concern in a fund like this. They usually signal that the economy is getting stronger—good news for a fund that carries a lot of credit risk. In previous periods of rising interest rates, High Income has often performed quite well. Its overall volatility level is 0.71.”

Jack Bowers, *Fidelity Monitor*, www.fidelitymonitor.com, 800-397-3094, 11/10

“**DoubleLine Total Return Bond I** (DBLTX) manager Jeffrey Gundlach saw an opportunity in treasury bonds last spring when interest rates spiked. He put about half the portfolio in longer-term treasuries. The position was very profitable for the fund, as interest rates declined. Gundlach said he recently trimmed the fund’s holdings in longer-term treasuries. Gundlach believes we are forming a bottom in interest rates. He isn’t bearish on treasuries and doesn’t think interest rates are about to rise. But he believes rates are near their lows. The risks in treasuries at this point aren’t worth the potential rewards. ... Gundlach believes the 10-year treasury won’t again reach its lows of 2008. Opportunities are better in the mortgage markets. Gundlach says he will continue to find values in nonagency mortgages (those not guaranteed by the government entities) that can deliver annualized total returns of 7% and higher. There’s not much point in owning treasuries under these circumstances. Gundlach also increased his positions in investment grade and high yield corporate bonds. He believes high yield bonds have underperformed since last spring and have some catching up to do relative to investment grade bonds. He expects a 6% or higher yield from high yield bonds with a low default rate. DBLTX has surged since its inception last April. It’s given us a total return far exceeding the stock market’s while paying a yield of about 6%, without as much volatility as stocks.”

Robert C. Carlson, *Bob Carlson’s Retirement Watch*, www.retirementwatch.com, 800-552-1152, 11/10

“**Kayne Anderson Energy Total Return Fund** (KYE 27.85 NYSE – yield 6.90%) trades at a slight premium to the value of its assets and yields a little over 7%. We favor Kayne Anderson Energy over the other closed-end funds in How They Rate for several reasons. First, management has a strong, long-term track record. Although 2008 was a downer, no one panicked, and the losses have since been recouped and then some. Second, the premium is smaller than most funds, particularly the equally solidly performing Tortoise Energy Infrastructure (NYSE: TYG)—meaning more of your money goes to work for you. Third, Kayne Anderson Energy’s yield is about a percentage point more than Tortoise Energy Infrastructure. It sticks to generally conservative MLP choices and flavors them with some holdings in Canada and elsewhere, providing some currency hedge against potential problems with the U.S. dollar. That’s an advantage it has over the other two Kayne Anderson funds we track. ... If you’re interested in holding MLPs as a conservative long-term investment, we strongly urge you buy Kayne Anderson Energy Total Return Fund, up to 27.”

Roger S. Conrad and Elliott H. Gue, *MLP Profits*, www.kciinvesting.com, 800-832-2330, 10/29/10

The Chartist Mutual Fund/ETF Letter advised its subscribers to move into a 100% invested position on November 4, recommending they split their accounts evenly among 16 ETFs. Two of the highest-yielding are profiled below:

“**Vanguard European ETF** (VGK 51.85 NYSE – yield 3.70%)—The investment seeks to track the performance of the MSCI Europe Index. The fund invests all, or substantially all, of its assets in the common stocks included in the MSCI Europe Index. The MSCI Europe Index is made up of approximately 467 common stocks of companies located in 16 European countries—mostly companies in the United Kingdom, France, Germany, and Switzerland.

“**iShares S&P Latin America 40 Index Fund** (ILF 53.35 NYSE – yield 2.30%)—The investment seeks investment results that correspond closely to the performance, before fees and expenses, of the S&P Latin America 40 index. The fund invests at least 90% of assets in securities of the underlying index and in depositary receipts representing securities of the underlying index. The underlying index is comprised of selected equities trading on the exchanges of five Latin American countries. It includes highly-liquid securities from major economic sectors of the Mexican and South American equity markets. The fund is non-diversified.”

Dan Sullivan, *The Chartist Mutual Fund/ETF Letter*, www.thechartist.com, 800-942-4278, 11/4/10

Last recommended in Dick Davis Dividend Digest Issue 210 dated March 10, 2010, at \$10.79 by High-Yield Investing.

“**Citigroup, Inc. 9% ELKS on Wells Fargo & Co.** (ESK 10.35 NYSE – yield 4.93%)—These Equity-Linked Securities (ELKS) track the price performance of banking giant Wells Fargo (NYSE: WFC). The ELKS mature on November 24, at which time holders will receive the final interest payment of \$0.45 and have the option of receiving a principal payment of \$10 in cash or the equivalent in shares of WFC, if Wells’ shares don’t hit or fall below the strike price of \$19.06 between now and maturity. However, if they do hit the strike price, holders will receive either 0.34106 common shares of Wells Fargo or the equivalent in cash. At maturity, I plan to take cash rather than the equivalent in WFC shares. The shares offer growth potential, but are currently yielding less than 1% and hence do not meet our income needs at this time. I added the shares in February at \$10.30 and will have received a total of \$0.965 in interest payments at maturity. Assuming Wells’ shares don’t hit or fall below the strike price of \$19.06 between now and November 24, I will also receive a principal repayment of \$10 in cash. That would bring a total return of 6.5% in 10 months.”

Carla Pasternak, High-Yield Investing,
www.streetauthority.com, 800-796-8025, 11/8/10

Last recommended in Dick Davis Dividend Digest Issue 212 dated May 12, 2010, at \$17.49 by Canadian Edge.

“The third quarter was **AltaGas Ltd.**’s (ALA 20.46 Toronto – yield 2.66%) [formerly AltaGas Income Trust] first as a converted corporation. On the plus side, cash flow from operations rose 61% and covered the distribution by better than 2-to-1. On the minus side, weak power prices had an impact on the company’s unhedged output. But that was offset by the growing portion of the business based on renewable energy, where revenue is pegged to capacity and locked-in under long-term contracts. With some CAD2 billion in new projects under development, AltaGas’ clear focus now is right where management said it would be after conversion: on taking advantage of low capital costs, renewable energy mandates and a lack of infrastructure serving shale gas areas to further build its base of fee-generating assets. That’s very manageable given the company’s strong financial position. But it does mean that shareholder returns

will flow from the growth of the business as much as from yield. That being said, 10% to 15% annual returns look like a lock. AltaGas is a solid buy for growth and income up to USD22.”

Roger Conrad, Canadian Edge, www.canadianedge.com, 703-905-8100, 11/5/10

Last recommended in Dick Davis Dividend Digest Issue 201 dated June 15, 2009, at \$8.61 by The Successful Investor.

“**Pengrowth Energy Trust** (PGF.UN 12.68 Toronto – yield 6.46%) will convert to a dividend-paying corporation on December 31, 2010. ... Pengrowth will maintain its monthly payout of \$0.07 a share following the conversion. ... As well, the distribution will become a dividend, so investors who hold Pengrowth outside an RRSP [Canadian retirement account] will benefit from the dividend tax credit. Pengrowth has \$2.7 billion of tax pools that it can use to offset the income taxes it will have to start paying in 2011. It expects to be able to delay paying taxes until after 2014. As well, Pengrowth continues to cut its risk by locking in prices for its natural gas and oil. For 2010, it has hedged 46% of its daily gas production at \$6.14 per thousand cubic feet (all gas and oil prices in Canadian dollars). It has also locked in prices for 23% of its 2011 daily production at \$5.72. That’s much higher than today’s price of \$3.79. The trust has also hedged its 57% of its 2010 crude oil output at \$82.09 a barrel, and 55% of its 2011 production at \$87.87 a barrel. Crude oil is now trading at \$84.23 a barrel. Pengrowth is a buy.”

Patrick McKeough, The Successful Investor,
www.tsinetwork.ca, 888-292-0296, 10/22/10

Last recommended in Dick Davis Dividend Digest Issue 215 dated August 11, 2010, at \$5.56 by StreetAuthority’s Daily Paycheck.

“As the markets rallied during the past few months, almost every company has seen a surge of insider selling. In fact, company insider sales have been outpacing company insider buys at a rate of 423-to-1. But not at the investment brokerage company **BGC Partners, Inc.** (BGCP 7.99 Nasdaq – yield 7.00%). The CEO picked up nearly 140,000 shares since the middle of September. I continue to maintain my current buy rating [however] BGCP has appreciated significantly in a relatively short period of time. It is a small, volatile stock, and investors looking to buy BGCP may want to wait for a dip.”

Amy Calistri, StreetAuthority’s Daily Paycheck,
www.streetauthority.com, 301-216-2005, 11/4/10

IN THIS ISSUE

Company Name (Symbol)	Page	DRIPs	52-week Low-High	Recent Price	Fwd. P/E Ratio	EPS (TTM)	EPS Est.* (current yr.)	Dividend** (MRQ)	Indicated Annual Dividend	Yield***	Company Phone Numbers
AltaGas Ltd (ALA)	11		18.66 - 22.27	20.46	17	1.26	1.24	0.11	1.32	2.66%	403-691-7575
Altria Group Inc (MO)	5	x	18.68 - 26.22	25.58	13	1.85	1.90	0.38	1.52	5.90%	804-274-2200
Ameren Corporation (AEE)	4	x	23.09 - 29.89	29.54	13	2.90	2.72	0.39	1.54	5.20%	314-621-3222
Ameriprise Preferred A (AMP-A)	5		24.52 - 28.98	27.53	n/a	n/a	n/a	n/a	0.72	1.31%	888-239-9953
AT&T Inc (T)	6	x	23.78 - 29.49	29.18	12	2.26	2.29	0.42	1.68	5.80%	210-821-4105
BGC Partners Inc (BGCP)	11		3.72 - 8.05	7.99	11	0.58	0.66	0.14	0.56	7.00%	212-610-2200
Campbell Soup Co (CPB)	7	x	32.15 - 37.59	36.05	14	2.48	2.64	0.28	1.10	3.10%	856-342-4800
Canfor Pulp Income Fd (CFX.UN)	8		4.98 - 16.69	16.26	8	2.04	1.53	0.25	3.00	18.70%	604-661-5241
Chunghwa Telecom Co (CHT)	6	x	17.36 - 25.38	24.96	16	1.53	1.51	1.00	1.00	4.00%	886-2-2344-3657
Citigroup Inc ELKS WF (ESK)	11		9.34 - 11.95	10.35	n/a	n/a	n/a	0.52	0.52	4.93%	212-559-1000
Greenhill & Co Inc (GHL)	6		60.73 - 91.46	79.26	24	1.63	1.72	0.45	1.80	2.30%	212-389-1500
H&R REIT (HR.UN)	5		12.47 - 20.90	20.55	n/a	1.06	n/a	0.07	0.87	4.19%	416-398-7520
Johnson & Johnson (JNJ)	7	x	56.86 - 66.20	64.31	13	4.75	4.75	0.54	2.16	3.40%	732-524-0400
Middlesex Water Co (MSEX)	6	x	14.74 - 18.70	18.05	20	0.90	0.94	0.18	0.73	4.00%	732-634-1500
Och-Ziff Cap Mgmt Group (OZM)	6		11.20 - 18.50	15.28	11	1.08	1.08	0.11	0.40	2.60%	212-790-0041
Pason Systems Inc (PSI)	5		10.31 - 13.25	13.13	17	0.16	0.55	0.16	0.34	2.67%	403-571-0300
Pengrowth Energy Tr (PGF.UN)	11		8.50 - 13.03	12.68	16	0.83	0.21	0.07	0.84	6.46%	403-233-0224
Procter & Gamble Co (PG)	7	x	58.92 - 65.00	64.81	16	3.72	3.98	0.48	1.93	3.00%	513-983-1100
Provident Energy Trust (PVX)	8	x	5.01 - 8.10	7.86	n/a	0.25	(1.27)	0.06	0.71	9.10%	403-296-2233
Repsol YPF SA (REP)	4	x	18.76 - 28.88	27.56	12	2.10	2.40	0.43	0.93	3.40%	349-1348-8100
Simon Property Group Inc (SPG)	8	x	68.57 - 106.50	101.18	16	5.88	4.96	0.60	3.20	3.20%	317-636-1600
Sun Communities Inc (SUI)	8		17.12 - 35.11	33.96	11	2.96	2.92	0.63	2.52	7.40%	248-208-2500
Total SA (TOT)	4	x	43.07 - 67.52	54.98	8	5.82	6.18	1.18	2.53	4.60%	331-4744-4546
US Ecology Inc (ECOL)	3		12.98 - 17.67	16.66	20	0.62	0.58	0.18	0.72	4.30%	208-331-8400
Vulcan Materials Co (VMC)	5	x	35.40 - 59.90	42.12	n/a	(0.51)	(0.59)	0.25	1.00	2.40%	205-298-3000
Xcel Energy Inc (XEL)	4	x	19.02 - 24.33	24.12	14	1.70	1.63	0.25	1.01	4.20%	612-330-5500

ETF Name (Symbol)	Page	DRIPs	52-week Low-High	Recent Price	EPS (TTM)	Dividend** (MRQ)	Indicated Annual Dividend	Yield***	Company Phone Numbers
iShares S&P Latin America (ILF)	10		39.21 - 54.87	53.35	188.04	0.78	1.22	2.30%	800-474-2737
Kayne Anderson Energy Ttl (KYE)	10		20.07 - 27.85	27.85	86.12	0.48	1.92	6.90%	310-556-2721
Vanguard European ETF (VGK)	10		38.50 - 53.42	51.85	188.99	1.91	1.91	3.70%	800-662-7447

Mutual Fund Name (Symbol)	Page	Fund Objective	NAV	Return (%) 3 mos.	Return (%) 1-year	Return (%) 3-year	Min. Invest.	Company Phone Numbers
DoubleLine Total Return (DBLTX)	10	Intermediate-Term	11.21	6.18	n/a	n/a	\$100,000	877-354-6311
Fidelity High Income (SPHIX)	10	High Yield Bond	9.11	6.64	16.56	7.98	\$2,500	800-544-6666

DRIPs are dividend reinvestment plans that allow investors to buy stock directly from the company. Dividends paid are reinvested to purchase more stock. Prices are as of November 9, 2010. Estimates for Canadian stocks are in Canadian dollars.

*Using forward estimates. When available, the average estimate across all Wall Street analysts. Failing that, we've quoted the excerpted editor's estimate, if available.

**Most Recent Quarter, for quarterly dividends, or most recent payment for monthly or irregular dividends.

***Yield will vary as a result of price fluctuations.

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