

**BIG YIELD HUNTING:
BUYING INTO HIGH, SAFE,
GROWING YIELDS WHILE
OTHERS CHASE JUNK**

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A THIRD YEAR OF GAINS?

- THE INCOME INVESTING BULL MARKET: MARCH 2009--??
- RISING EXPECTATIONS
- LOWER YIELDS BUT LOWER RISK

MANY POSITIVES

- CORPORATE RATES STILL VERY LOW
- LITTLE REFINANCING RISK
- Q4 RESULTS GENERALLY SOLID
- INDUSTRY STRENGTHENING
- DIVIDEND GROWTH RETURNS
- MANY DIVIDEND-PAYING STOCKS
STILL BELOW THE EARLY 2008 HIGHS

GROWING NEGATIVES

- HIGHER EXPECTATIONS = ROOM FOR DISAPPOINTMENT
- SOME INDUSTRIES STILL WEAK
- INFLATION RISK
- DEFLATION RISK

TIME FOR MANAGED YIELD

- FOCUS ON TOTAL RETURN
- STICK TO STOCKS
- SHOP FOR DIVIDEND GROWTH
- KNOW WHO'S WRITING THE CHECKS
- BALANCE AND PARE BACK WINNERS
- BUY QUALITY WHEN OTHERS ARE DISAPPOINTED
- AVOID THE HIGHEST YIELD

POWERING UP

- ELECTRICS' GREAT DELEVERAGING
- THE SUREST TREND
- STILL LAGGING: DJUA OFF -25%
- CAPITAL SPENDING + FAVORABLE REGULATION = BIG TOTAL RETURNS
- EXC--4.9%, TEG--5.4%
- CALIFORNIA UTES: SRE--3.6%

GAS' BULL MARKET

- YIELDS 5-8%
- PLAYING VOLUME = SHALE
- NEW PROJECTS CONTRACTED FIRST
- DIVIDEND GROWTH ACCELERATING
- MLPS: TAX ADVANTAGED--KMP--6.2%, EPD--5.7%
- CANADA: PVX--6.7%, PBNPF--7.3%

LOOKING NORTH

- YIELDS 8-10%
- 2011 CONVERSION/TAXATION DONE
- DIVIDENDS: GROWING AGAIN
- CANADIAN DOLLAR: HARD CURRENCY
- ADN (ACAZF)--7.7%
- KEY (KEYUF)--5.2%

SUPER PRODUCERS

- YIELDS: 5-8%
- UP: OIL, NGLS
- REFINING MARGINS IMPROVE
- GRABBING GAS CHEAPLY
- Eni (NYSE: E)--4.2%
- Enerplus (NYSE: ERF)--7.3%

HIGH YIELD TELECOM

- YIELDS 6-9%
- GLOBAL CONNECTIVITY EXPLOSION
- BIG CASH FLOWS = HIGH YIELDS
- FEAR OF BIG GOVERNMENT = LOW PRICES AND LOW EXPECTATIONS
- BIG WIRELESS: VZ--5.4%
- RURAL CASH COWS: FTR--9.4%

BIG YIELDS DOWN UNDER

- YIELDS 5-10%
- AUSTRALIA'S ASIAN CONNECTION
- AUSSIE DOLLAR: A HARD CURRENCY
- FLOODS DEPRESS OUTPUT AND VALUATIONS
- LEIGHTON HOLDINGS (ASX: LEI, OTC: LGTHF)--5.0%
- TELSTRA (ASX: TLS, OTC: TLSYY)--10.6%

WHERE THEY AIN'T

- YIELDS 5-8%
- BIG PHARMA: BMY--5.0%
- SMALL BANK PROFITS: FNFG--4.6%
- PROFITABLE PROPERTY: WRE--5.9%
- SHORT DURATION OPEN END BOND FUNDS: VFIIX
- PROVEN JUNK: NTHEX
- TEF--5.8%

WHAT TO AVOID

- LONG-TERM BONDS AND FUNDS—NO YIELD ADVANTAGE, MORE RISK
- CARRIED INTEREST MLPS
- MORTGAGE REITS
- MOST CLOSED-END BOND FUNDS
- MUNIS YOU DON'T KNOW
- THE HIGHEST YIELD

FOR MORE

- UTILITY FORECASTER
www.utilityforecaster.com
- www.utilityandincome.com
- CANADIAN EDGE
www.canadianedge.com
- www.mlpprofits.com
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