

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

**ROGER S. CONRAD**

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# A THIRD YEAR OF GAINS?

- THE INCOME INVESTING BULL MARKET: MARCH 2009--??
- HIGHER PRICES = RISING EXPECTATIONS
- “BLACK SWANS” AND THE WALL OF WORRY

# THE NEGATIVES

- HIGHER EXPECTATIONS = ROOM FOR DISAPPOINTMENT
- ECONOMY STRONGER BUT WEAKNESS REMAINS
- RISING COMMODITY PRICES: INFLATIONARY OR DEFLATIONARY?
- BLACK SWANS: JAPAN AND THE MIDDLE EAST

# THE POSITIVES

- CORPORATE RATES STILL VERY LOW
- LITTLE REFINANCING RISK
- Q4 RESULTS GENERALLY SOLID
- DIVIDEND GROWTH RETURNS
- BLACK SWANS = LOWER STOCK PRICES

# MANAGING YIELD

- STOCKS ARE BEST
- SHOP FOR DIVIDEND GROWTH
- BEWARE THE HIGHEST YIELD
- KNOW WHO'S WRITING THE CHECKS
- BALANCE AND PARE BACK WINNERS
- BUY QUALITY WHEN OTHERS ARE DISAPPOINTED

# NUCLEAR POWERED

- JAPAN'S NUCLEAR CRISIS: FACT, FICTION AND FALLOUT
- US NUCLEAR: LIMITED LIABILITY AND LOWER PRICES
- BEST BETS: EXC--4.9%, ETR--4.7%, DUK--5.4%
- VULNERABLE: PCG

# ADVANTAGE: GAS

- PLAY VOLUME, NOT PRICE
- SHALE--EAGLE FORD, MARCELLUS
- NEW PROJECTS CONTRACTED FIRST
- DIVIDEND GROWTH ACCELERATING
- MLPS: TAX ADVANTAGED--KMP--6.3%, EPD--5.7%, ETP--6.8%

# LOOKING NORTH

- 2011 CONVERSION/TAXATION DONE
- DIVIDENDS: GROWING AGAIN
- CANADIAN DOLLAR: HARD CURRENCY
- MPT (MCQPF)--8.5%
- PKI (PKIUF)--8.5%



# SUPER PRODUCERS

- BEWARE POLITICAL INVESTING
- BIG CYCLE UP: OIL, NGLS
- LOOK FOR LOADED LAGGARDS
- Eni (NYSE: E)--4.2%
- Enerplus (NYSE: ERF)--7.2%

# HIGH YIELD TELECOM

- NO “HIGHLANDER” SCENARIO
- WIRED TO CONNECTIVITY GROWTH
- BIG CASH FLOWS = HIGH YIELDS
- FCC NO LONGER A THREAT
- BIG WIRELESS: VZ--5.4%
- RURAL CASH COWS: WIN--7.9%

# BIG YIELDS DOWN UNDER

- 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)--10.8%

# WHERE THEY AIN'T

- 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](http://www.utilityforecaster.com)
- [www.utilityandincome.com](http://www.utilityandincome.com)
- CANADIAN EDGE  
[www.canadianedge.com](http://www.canadianedge.com)
- [www.mlpprofits.com](http://www.mlpprofits.com)
- [www.pfnewsletter.com](http://www.pfnewsletter.com)
- user name: carnival
- password: feather