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7 Ways to Protect Your Portfolio from the Wall Street Crisis

-- By Paul Tracy

It sure has been tough to be an investor these past few months. As I write this, the market is down more than 5,000 points from its high -- a certain drag on anyone's portfolio.

But what if you could build a solid hedge of protection around your wealth? What if you could generate a fast and dependable gusher of cash to keep you safe through the economic slowdown?

How? The answer is simple: Dividends. In today's issue, I'll tell you why right now is a historic time to be an income investor -- and I'll introduce you to the seven assets that are your best options for building a powerful income stream in this crisis. (*Full Story Below*)

Also in Today's Issue...

Double-Digit Income and Returns up to +62.3%

Carla Pasternak's *High-Yield Investing* subscribers are having their cake and eating it to. Over the last few months they have been treated to returns of up to 62.3%... all while raking in dividends of 10% and more! It's not too late to join in. Carla's picks are still paying up to 19.6% over the next 12 months.

[Go here to get these double-digit yielders now.](#)

You Could Get +278.5% Income with These Free Tips

StreetAuthority editor Amy Calistri is so full of ideas, we've just added another way for her to share them with you: "Amy's Notes." Her recent note covers a stock that could give you +278.5% more income. Get this pick free and make sure you don't miss out on any others.

[Click here to get this pick now.](#)

7 Ways to Protect Your Portfolio from the Wall Street Crisis

When the bear market hits, it's no secret investors flock to safety.

And with the tough economic times facing everyone, it's a smart time to turn to the safety and dependability of income investing.

Why? It's simple. There's nothing more reassuring than a nice stack of healthy dividend checks arriving in your mailbox each and every month. With a rich cash stream in hand, it's much easier to live a financially secure life in the face of market turmoil and skyrocketing costs.

Traditional Assets Won't Provide Enough Income

The problem is that traditional income investments are simply floundering in

Income Notes

Yields on two-year U.S. notes have fallen for five straight weeks and are down from this year's high of 3.1% in June. They may drop to 0.6% by mid-2009, according to J.P. Morgan Chase. That's not unreasonable, as yields in Japan were between 0.1% and 0.8% for three months after its central bank began its zero-rate policy in 1999.

J.P. Morgan says the Fed will cut its target overnight rate for loans between banks to zero by January from 1% now. HSBC and Citigroup also predict the rate will go to zero.

-- Bloomberg

Receiving dividends should be the main motivation for long-term investors. (They're) also a great check on the honesty of management.

Accounting rules can be bent to produce profits in line with analysts' targets, but dividends have to be paid with hard cash. A cut in dividends signals that executives feel the business outlook has deteriorated sharply. It is a much more visible sign of risk than the abandonment of a share buyback.

-- The Economist

this environment. Take a look:

- The average yield on a 10-year Treasury bill is a pathetic 2.7%.
- The average yield on a bank CD is a lousy 3.3%.
- The average yield on a corporate "AAA" bond is a disappointing 4.5%.

Even dividends on the average S&P 500 stock are scraping the bottom of the barrel at a paltry 3.2%. And just yesterday, the U.S. Treasury sold four-week bills at 0% -- for the first time in history. But you don't have to settle for puny yields like these.

Instead, you can build real wealth and generate extra cash flow with double-digit yields... *if* you know where to look.

The trick is to go beyond CD's, bonds and puny dividend-paying common stocks. But you can *never* sacrifice safety. Instead, the key is finding today's top high-yield opportunities offered by solid growth businesses with proven track records of increasing profits.

These companies prove their fiscal strength to shareholders month after month by passing their profits on to you in the form of dividend checks. It's real money that weighs heavy in your hand and can't be taken away from you... unlike the vapor wealth of paper assets that suddenly disappears in a market downturn.

It's no wonder that dividend-paying stocks have outperformed non-payers by 4 to 1 over the past 35 years. And that time period has seen some nasty bear markets, too. What's more, the share price of a dividend-paying stock is 10% less volatile than a non-dividend stock. This greater price stability can offer a safe haven for investors during a time of economic uncertainty.

Now, I know people have recently lost a lot of money in the market. But the investors who have access to the kinds of special stocks I'm about to reveal have seen their portfolios significantly outperform the market.

Why NOW is the Time For Dividend-Paying Stocks

With the market turning dangerously bearish in the past few months, you've been given a rare opportunity to rake in big profits and protect your portfolio with dividend-paying stocks. Why? Simple math. There are only two ways for an investor's yield to climb -- either the dividend is raised or the share price drops.

With share prices diving amid this brutal sell-off and most dividend payments remaining level (or even rising), simple math says that yields have no choice but to go higher. Let me show you how this works...

Let's say a rock-solid company with a proven track record of paying out dividends was selling for \$50 per share last year. The recent annual dividend payout has been \$5.00 per share. That's a generous yield of 10% -- 3X more than the average S&P dividend-paying stock.

But today, with the current market slump, its price has been unfairly dragged down to \$35. There's nothing wrong with its underlying growth fundamentals. It's still churning out profits, even in this challenging environment. And the company is *still* paying out a large percentage of its profits to shareholders in monthly dividend payments -- the same \$5.00 total annual dividend. As a result of the price drop, the yield has increased to over 14% -- a near +45% rise in just one year. Now did you get a +45% pay raise last year?

But here's where this works out so well for you as a new investor to this stock. First, you're in the enviable position of buying this great stock at a

One Stock a Month is All You'll Ever Need

For the entire 2009 calendar year 100% of Amy Calistri's *Stock of the Month* picks have been winners. ALL of her picks are up -- as much as +58.4% in just a few months. And her subscribers are making money hand over fist alongside her. One has made \$10,272... another is up \$46,002.

[Click here to get her latest pick.](#)

Recent Articles

[The "Oddball" Security From Canada Yielding 18%](#)

By Carla Pasternak
November 26, 2008

It was greeted as "an oddball security from Canada" when it debuted in December 2003. But investors should be warming up to this special type of security in difficult times. After all, they pay more than four times the average yield delivered by the S&P 500 Index -- while offering the safety of a bond with the upside of an equity.

[Read On...](#)

[The Special Asset Class Legally Obligated to Pay Yields of 10%... And Even Higher](#)

By Andy Obermueller
November 12, 2008

One particular asset class has a long history of rising distributions, double-digit yields and strong outperformance -- thanks to its legal obligation to shower

slashed fire-sale price -- 30% OFF! Your yield is locked in at 14.3% (\$5.00 dividend/\$35 share price). We all know that in a year or two the share price of this solid growth company is going to rise.

As a result, you can plan on enjoying some hefty capital gains on that stock... yet still earn the 14%-plus dividend yield at which you originally bought the stock.

Right now dividend yields have rocketed to their highest point this century. You have a once-in-a-decade opportunity to lock in some incredible high yields on safe, low-risk stocks. The seven high-yield picks I'm going to reveal to you below are your introduction into the increasingly lucrative world of income-investing.

Now, I don't know how long this window of super-high yields is going to stay open -- a few weeks, perhaps months. But if you're looking to rebuild your portfolio in the months ahead, you'll want to claim your share of this rare high-dividend goldmine right now. Here's how to get started...

Special 2009 Wealth and Income Report For Global Dividend Opportunities Subscribers

We've arranged a free offer for our *Global Dividend Opportunities* subscribers. I recently put the finishing touches on the *Special 2009 Wealth and Income Report*. Within these pages, I highlight seven of the most profitable niches for income investors today. I want to give you this report at no charge. Simply [follow this link](#) to start reading.

The prime investment opportunities you'll see in this complimentary report are overlooked by most investors. That's because these high yields are a little off the beaten path -- found in the smaller nooks and crannies of Wall Street and rarely mentioned by brokers and bankers.

These special finds include:

- A security that allows investors access to the formerly closed sector of venture capitalism. With this stock, you can invest in a diversified range of up-and-coming companies, while also raking in a 20.2% yield.

- Another find is a unique stock/bond hybrid yielding 14.5%. You'll capture the safety of a fixed-income bond *and* the upside potential of a common stock -- all with this one security. Don't be surprised that you've never heard of this rare gem... only about 10 exist in the world.

- We've also uncovered a special find that will see heady dividends as long as the United States continues using oil. Unlike exploration companies that make money based on the price they can sell crude, this security sees steady revenues as it depends on the *volume* shipped through its pipelines. As long as we use oil, investors should enjoy this 14.9% yield.

Sometimes, going a little off the beaten path is the *only* place you'll find the safest, highest yields available today. But rest assured, none of the investments I'll tell you about in this report are too exotic. Every one can be found on U.S. stock exchanges. You can easily buy and sell them through your broker or online.

So take advantage of the market's historic sale to capture the sizeable cash flow you need to carry you through the tough economic times ahead. Simply read about the seven income ideas -- throwing off yields of 14.5%, 14.9%, 20.2% and even more -- in your complimentary copy of my [Special 2009 Wealth and Income Report](#).

[Visit this link](#) to access this report immediately.

Good Investing!

investors with cash. These shares can offer shelter in the storm -- all while generating stellar returns.

[Read On...](#)

[Warren Buffett is Buying Preferreds with Double-Digit Yields... Why Aren't You?](#)

By Amy Calistri
October 8, 2008

Legendary investor Warren Buffett has been on a buying spree. Buffett poured \$8 billion into new investments over the last few weeks alone.

But Buffett isn't just buying anything. While the vast majority of Berkshire Hathaway's portfolio is made up of common stocks, almost all of his recent purchases have been preferred stocks with double-digit yields.

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