



Carla Pasternak's

Dividend Opportunities

STREETAUTHORITY

[About Us](#)

[DividendOpportunities.com](#)

[Issue Archives](#)

[Premium Content](#)

[Research Reports](#)

[Subscribe](#)

Wednesday, February 11, 2009



[Printer-Friendly](#) | [PDF Version](#) | [Whitelist Us](#) | [Trouble viewing images?](#)

Big Yield Hunting

-- By Roger S. Conrad, Editor, [Canadian Edge](#)

Income investors may not be familiar with Canadian trusts, a high-yield instrument that is enjoying new-found popularity in today's economic climate.

Below, Roger Conrad, editor of the *Canadian Edge* advisory service, alerts us to a few of his favorite "Bay Street" (Canada's version of Wall Street) picks culled from the *Canadian Edge* portfolios. (*Full Story Below*)

Also in Today's Issue...

Capture 14% Yields and Total Returns up to +185.6%

On the last trading day of 2009, 94% of the picks in this high-yielding portfolio were up. Most of them have returned more than +10%, and several have returned +100% or more. But the best part is that these picks carry stable yields of up to 14.3%!

[Go here to see for yourself.](#)

Turn a \$200 investment into \$1 Million

There's a reason penny stocks have been Wall Street's favorite hidden investment for years now: they give the best shot at winning it big.

[Click Here to get in on these Hidden Investments!](#)

Big Yield Hunting

So, for us income investors what's "hot" in a cold economy? Yes, I'll say it again: strong businesses paying high yields up to 21.9%-plus are obvious targets for investors re-entering the market -- and the obvious target for me is safe, Canadian trusts.

While many global businesses are cutting distributions, the best Canadian trusts are increasing theirs.

Right now, we have 18 holdings in our "Conservative" Portfolio and the highest yielder is at 21.9%. Eleven of the 18 income trusts yield between 10% and 21.9%. Of the 13 trusts in our "Aggressive" Portfolio, the highest yield is at 42.42%; ten of the 13 trusts are yielding in double-digit territory. Clearly, this is where we expect to see exponential growth in 2009.

My strategy has been to stick the highest-quality Canadian trusts and dividend-paying corporations, as long as their underlying businesses remain healthy. And that's paid off the past few weeks.

Income Notes

"Dividend yields on quality stocks are now at levels I haven't seen in more than 15 years," said Charles Carlson, editor of the DRIP Investor newsletter in Hammond. "The market decline in 2008 was so broad-based that it took down most stocks, and, as a result, many stocks you don't think of as dividend stocks have pretty good yields."

-- Chicago Tribune

The recession is bringing many old-fashioned ideas back to the fore, such as spending less, saving more and focusing on dividend stocks. Dividend-paying stocks in the Standard & Poor's 500 index once again did better than nonpayers in 2008 -- or at least didn't do as bad. It's the fifth year in a row they have been on top, and they've done so every two out of three years since 1979, on average.

-- Seattle Times

One Stock a Month is All You'll Ever Need

For the entire 2009

We're still getting some of the juiciest dividends on the planet, many of which are likely to be increased in 2009. Governments worldwide, including Canada, are pumping out unprecedented fiscal and monetary stimulus. It's clear now that global governments won't shirk from their commitment to head off worldwide deflation until the job is done.

This isn't yet a rising tide to raise all boats. We still must painstakingly separate the trusts and dividend-paying corporations with strong underlying businesses from the pack. And any picks that falter along the way will be jettisoned, regardless of how their shares have performed.

So, let's remember three things.

First, our Canadian trust recommendations have already come through two-and-a-half years of stress tests, and those still standing are a hearty breed indeed, paying the best real yields on the planet. Second, value does ultimately command a fair price in the marketplace. The late December/early January action may or may not be the beginning of a more explosive run. But we will see one, and it will propel trusts that hold it together as businesses much higher. And, as I said above, we're still getting some of the juiciest dividends on the planet -- up to 22%, even in the "Conservative" Portfolio.

Portfolio Action

I didn't make any changes to the "Canadian Edge" Portfolio this month. The current lineup represents the strongest Canadian trusts and corporations from a wide range of sectors.

My best advice for all readers is to build an equally weighted mix of eight to 10 of them. Income seekers should lean more heavily on the "Conservative" holdings, whose distributions are not directly tied to energy prices. Those interested in higher distributions from energy will want to focus more strongly on the "Aggressive" Portfolio's holdings.

All of our holdings continued to rally during the past month, some quite strongly. For example, last month's conservative addition, a trailblazing engineering and construction outfit, is up more than +75% since. They've even been tapped to build a new sports complex for the 2010 Vancouver Olympics.

Another favorite pick that also rages "on-fire" is a Google partner whose ad revenue was up an astounding +38.4% in the third quarter. While Google pays no dividend, this hard-working trust pays a monster-sized yield of 17.6%.

Ever on the prowl for more ways to line their investors' pockets, they've just inked a brilliant new deal that should send their ad revenue through the roof -- yet again. With such robust revenues, this trust could easily pay a 20%-plus dividend in 2009.

Every portfolio holding is still trading below its buy target, which is based on my valuation of its underlying business and long-run dividend-generating power.

A hydropower non-trust included in *Canadian Edge's* "How They Rate" coverage universe continues to attract analysts and investors alike. Bay Street gave it a 4.818 average rating, and the stock is up nearly +9% so far in 2009.

This high-powered trust will receive about CAD\$59 million in government funding for its CAD\$450 million wind farm being constructed on Wolfe Island in eastern Ontario. The 86-turbine, 198-megawatt Wolfe Island wind farm is expected to begin commercial production March 31st. Wolfe Island, combined with the Melancthon project, will more than double this company's revenue base.

Canada's Bay Street Beat

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

[Take Advantage of Historically High Yields from the World's Soundest Banks](#)

By Carla Pasternak
January 14, 2009

With capital ratios that are the envy of every banker from London to Santiago, Canadian banks are among the best capitalized. What's more the country's largest players are continuing to post strong results - - and paying out mouth-watering dividends.

[Read On...](#)

[The Safest Dividend in the Dow](#)

By Andy Obermueller
Feb. 4, 2009

A number of dividends in the Dow Jones Industrial Average are looking pretty juicy these days. So the question is appropriate: Which company has the safest dividend in the Dow? We sorted through the blue-chip index and applied several stringent criteria to arrive at the surprising answer.

Last month was the biggest January ever for the North American box office, as movie-goers generated total revenue of US\$1.03 billion. That's good news for Cineplex Galaxy Income Fund (TSX: CGX-U, OTC: CPXGF) and illustrates why Canada's largest movie theater operator was included in the December 2008 *Canadian Edge* feature, "Recession-Proof Trusts."

Cineplex Galaxy, which runs 129 theaters and 1,317 screens in Canada, scored well on Bay Street in Bloomberg's most recent survey of analyst opinion: The trust once again notched a perfect 5.000 average rating.

January 2009 box office was up nearly +19% from January 2008 even as job losses mounted and disposable income seemed to be evaporating. Apparently people are eager to be distracted from their troubles. When times are hard, heading off to the movies for two hours is a great escape. As "Media by Numbers" box-office guru Paul Dergarabedian put it, "Going to the movies is the new vacation."

Cineplex Galaxy will release fourth-quarter and full-year earnings tomorrow. Third-quarter attendance was strong, revenue per patron rose and the trust's payout ratio still came in at just 47%, providing a tremendous cushion to the distribution for safety. The trust has also made great strides diversifying revenue streams via on-screen advertising and is increasingly the dominant player in Canada movie-going.

Cineplex's credit facilities extend to 2012, and the trust has hedged out interest rate risk as well. Yielding more than 9%, Cineplex Galaxy Income Fund is a buy up to US\$18.

The lowdown on safe, high-yield, Canadian trusts

Stress tested since mid-2006, unburdened by heavy debt and armed with long-life cash reserves, the best Canadian trusts are set not just to rally again in 2009, but to continue paying generous, predictable distributions up to 21.9%-plus.

[Here's a look](#) at what income investors should expect from Canadian trusts in 2009 and where the best bets are.

-- Roger S. Conrad
Editor
[Canadian Edge](#)

Guest Contributor
Global Dividend Opportunities
[GlobalDividends.com](#)
839-K Quince Orchard Blvd.
Gaithersburg, MD 20878-1614

P.S. -- Don't miss a single issue! Add our address, Research@GlobalDividend.com, to your Address Book or Safe List. For instructions, [go here](#).

[Read On...](#)

We're Finding Stocks Paying \$26,500 a Year in Dividends

Now is a great time to invest. Every dollar we're investing is giving us two, three, four even five times as much income as it did just a year ago -- it's as if a giant "multiply your money" certificate has dropped into our laps.

[Click here to learn more.](#)

Reader Favorites

[Escape the U.S. Financial Turmoil](#)
By Andy Obermueller

[How to Add a Margin of Safety to Your Stock Portfolio in a Tumultuous Market](#)
By Andy Obermueller

Special Offers

[The Next Way the Government Will Make Investors Rich](#)
The *StreetAuthority Investor Update* is a free weekly newsletter designed to help you track down the market's most profitable stocks, funds, and ETFs. Sign up today and you'll also receive a free in-depth research report -- *The Next Way the Government Will Make Investors Rich*.

We sincerely hope that you benefit from your subscription to this newsletter, and we're willing to do whatever it takes to keep you as a satisfied customer. However, if at any time you wish to discontinue your complimentary subscription, you can do so by simply [visiting this link](#) and confirming your request, or by calling (301) 216-2005.

Please note that StreetAuthority, LLC is not a registered investment firm or broker/dealer. Readers are advised that the material contained herein should be used solely for informational purposes. StreetAuthority does not purport to tell or suggest which investment securities members or readers should buy or sell for themselves. Site users should always conduct their own research and due diligence and obtain professional advice before making any investment decision. StreetAuthority will not be liable for any loss or damage caused by a reader's reliance on information obtained in this newsletter or on our web site. Our readers are solely responsible for their own investment decisions.

The information contained herein does not constitute a representation by the publisher or a solicitation for the purchase or sale of securities. Our opinions and analyses are based on sources believed to be reliable and are written in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy or completeness. All information contained in this report should be independently verified with the companies mentioned. The editor and publisher are not responsible for errors or omissions. StreetAuthority receives no compensation of any kind from any companies that may be mentioned in our newsletters or on our web site. Any opinions expressed are subject to change without notice. Owners, employees and writers may hold positions in the securities discussed in this report or on our web site.

**(C) Copyright 2001-2010. StreetAuthority LLC All Rights Reserved.
Unauthorized Reproduction or Distribution is Strictly Prohibited.**