

**BEST**

AND

**WORST**

**DIVIDEND  
STOCKS**

The Street



Getting risk-free U.S. Treasury securities and bank securities doesn't seem so great now, especially with the rock-bottom returns that are being offered. Instead, investors like you are looking for other ways to generate safe, consistent income from common stocks.





## The Best Dividends List

Finding high-yield, income-producing common stocks isn't always easy. **TheStreet Ratings** can help!

**TheStreet Ratings** uses a sophisticated quantitative model to screen every possible dividend-paying stock. As a result we just-released our newest tool in your quest for producing a steady, consistent income stream from the best of breed dividend stocks. We call it, The Best and Worst Dividends Stocks.

We showcase the best stocks while also telling you which ones to avoid, allowing you to make better informed decisions before they buy or pass up an opportunity.

Our Methodology: **TheStreet Ratings** has compiled its list of best and worst dividend stocks by using the following criteria:

-  The dividend yield for the stock has to be greater than the S&P 500, which is currently near 2%. Why risk owning individual stocks when the earning potential is higher with an index?
-  The stock has to have a payout ratio that's no less than 60%. This will eliminate REITs and MLPs, which are required to pay out a majority of their earnings. There's more room for dividend increases for shareholders at companies with lower payout ratios.
-  Using **TheStreet Ratings** model, the stock has to have moderate financial strength, show the ability to meet overall debt requirements and have above-average returns on capital over time, or it won't make the cut to our Dividend Select list. The stock also has to be liquid with a quick ratio above 1 and a market capitalization above \$1 billion, to eliminate most small-capitalization stocks.
-  The stock has to be rated using **TheStreet Ratings** unbiased stock model. Once given the "Buy" recommendation, it is given a grade between A+ and B-. It's always a good idea to check our stock ratings screener regularly for updates on changes in ratings.

With no further ado, here is the list of the Best Dividend Paying Stocks:

Company Name	Symbol	Overall Rating	Risk Grade	Dividend Yield	Recommendation
3M CO	MMM	A	B+	2.35%	Buy
ACCENTURE PLC	ACN	A	B+	2.03%	Buy
AMERN EAGLE OUTFITTERS INC	AEO	B+	C+	2.31%	Buy
ANALOG DEVICES	ADI	A-	B	2.66%	Buy
APPLIED INDUSTRIAL TECH INC	AIT	A-	B+	2.06%	Buy
AUTOLIV INC	ALV	A-	B-	2.61%	Buy
AVAGO TECHNOLOGIES LTD	AVGO	B+	B	2.13%	Buy
BAXTER INTERNATIONAL INC	BAX	A	B+	2.56%	Buy
BROADRIDGE FINANCIAL SOLUTNS	BR	B	B-	2.84%	Buy

Company Name	Symbol	Overall Rating	Risk Grade	Dividend Yield	Recommendation
C H ROBINSON WORLDWIDE INC	CHRW	B	C	2.31%	Buy
CHEVRON CORP	CVX	A	B+	2.91%	Buy
CISCO SYSTEMS INC	CSCO	B	B-	2.68%	Buy
COACH INC	COH	B	C	2.06%	Buy
DU PONT (E I) DE NEMOURS	DD	A-	B	3.18%	Buy
FEDERATED INVESTORS INC	FII	A-	B-	4.15%	Buy
FOOT LOCKER INC	FL	A	B	2.04%	Buy
GRUPO AEROPORTUARIO SURESTE	ASR	A	B	2.19%	Buy
HASBRO INC	HAS	B-	D+	3.38%	Buy
HUBBELL INC	HUB.A	A	B	2.06%	Buy
ILLINOIS TOOL WORKS	ITW	A-	B+	2.31%	Buy
INGREDION INC	INGR	A	B	2.17%	Buy
INNOPHOS HOLDINGS INC	IPHS	A-	B	2.65%	Buy
INTEL CORP	INTC	A-	B-	3.75%	Buy
J2 GLOBAL INC	JCOM	A+	B	2.17%	Buy
KLA-TENCOR CORP	KLAC	A+	B+	2.94%	Buy
LINEAR TECHNOLOGY CORP	LLTC	A-	B	2.78%	Buy
MATTEL INC	MAT	B	D+	3.17%	Buy
MAXIM INTEGRATED PRODUCTS	MXIM	A-	B	3.06%	Buy
MCDONALD'S CORP	MCD	A	B	2.99%	Buy
MICROSOFT CORP	MSFT	A-	B+	2.74%	Buy
MILLER (HERMAN) INC	MLHR	B+	B-	2.04%	Buy
MINE SAFETY APPLIANCES CO	MSA	A-	B-	2.28%	Buy
MOLEX INC	MOLXA	A-	B	3.68%	Buy
MOLEX INC	MOLX	A-	B	3.08%	Buy
NORTHROP GRUMMAN CORP	NOC	A-	B+	2.86%	Buy
NU SKIN ENTERPRISES	NUS	A-	B-	2.20%	Buy
ROCKWELL AUTOMATION	ROK	B+	C+	2.20%	Buy
RPC INC	RES	B	C	3.01%	Buy
SEAGATE TECHNOLOGY PLC	STX	B	C	3.68%	Buy
SOC QUIMICA Y MINERA DE CHI	SQM	B	C	2.05%	Buy
ST JUDE MEDICAL INC	STJ	B+	C+	2.45%	Buy
SYSCO CORP	SYU	A-	B	3.23%	Buy
WADDELL&REED FINL INC	WDR	B+	C+	2.58%	Buy
XILINX INC	XLNX	A-	B	2.62%	Buy




## The Worst Dividends List

Then there is the worst dividend paying stocks...the stocks you should avoid if you are looking to maximize your income potential with dividends.

At **TheStreet Ratings** we offer both ends of the dividend stock spectrum, the best and the worst, because sometimes knowing the worst can help steer investors away from poor investment mistakes. Other sources tend to only offer the best

stocks, leaving the sharks out there waiting to snatch money away from unaware investors.

Our Methodology: Here are the warning signs that separate the good from the bad:

-  The minimum financial strength and market capitalization requirements are eliminated. Watch out if the liquidity criterion, as measured by the quick ratio, is also waived.
-  The stock has a dividend yield over 10%, in order to attract shareholders. However, the high yield is likely a trap. Stocks that have unrealistically high dividends are unlikely able to sustain itself for too long.
-  The stock has a dividend payout ratio above 100%, which means dividend payouts exceed the expected full-year earnings. When this happens, there's a chance that the dividend will be cut causing the share price or yield to take a plunge.

Each stock found on our worst list receives a “Hold” or “Sell” recommendation, using TheStreet Rating’s unbiased stock model.

**NOTE:** When a “Hold” recommendation is given to a stock, it will have a C+ to C- grade range. The stocks that have a “Sell” recommendation will have grades between D+ and E-. “Sell” stocks are graded lower because they have an expected decline in share price value over the next 12 months, which can offset any gain from dividends you’ve received. Be sure to refer back to TheStreet Ratings screener for any changes in the ratings.

Company Name	Symbol	Overall Rating	Risk Grade	Dividend Yield
NEW YORK MORTGAGE TRUST INC	NYMT	C	E+	15.51%
INVESCO MORTGAGE CAPITAL INC	IVR	C	E+	12.75%
HATTERAS FINANCIAL CORP	HTS	C	E+	10.46%
OCH-ZIFF CAPITAL MGMT LP	OZM	D+	D+	27.12%
WINDSTREAM CORP	WIN	C	D+	11.96%
FERRELLGAS PARTNERS -LP	FGP	C	D+	10.02%
NTELOS HOLDINGS CORP	NTLS	C-	D	11.41%
ALTEVA	ALTV	D+	D	10.38%
PORTUGAL TELECOM SGPS SA	PT	C	D	10.35%
TWO HARBORS INVESTMENT CORP	TWO	C+	D-	19.04%
AMERICAN CAPITAL AGENCY CORP	AGNC	C	D-	16.30%
CYS INVESTMENTS INC	CYS	C	D-	10.65%
RHINO RESOURCE PARTNERS LP	RNO	C-	C	12.75%
FULL CIRCLE CAPITAL CORP	FULL	C	C	11.92%
EAGLE ROCK ENERGY PARTNRS LP	EROC	C	C	10.04%
LRR ENERGY LP	LRE	C-	C-	12.08%
TELEFONICA SA	TEF	C+	C-	11.15%
QR ENERGY LP	QRE	C	C-	11.09%
PZENA INVESTMENT MANAGEMENT	PZN	C+	C-	10.35%

With our best and worst dividends list, investors should be able to maintain a portfolio of safe, income-generating stocks.

## Get more dividends and stock ratings from TheStreet

### TheStreet Quant Ratings

#### *The Ultimate Portfolio and Stock Idea Tool*



Just 15 Minutes Are All It Takes to Reveal Strong Stocks You Should Buy and Weak Stocks You Must Sell

Access the tool that DOMINATES the Russell 200 and the S&P 500.

*TheStreet Quant Ratings* is TheStreet's proprietary quantitative and algorithmic stock rating service and it will put your portfolio through the kind of tough scrutiny it must pass to succeed in 2013.

#### **With *TheStreet Quant Ratings* you get:**

- Complete access to our ratings database of over 4,300 stocks
- The freedom to download unlimited research reports on your favorite stocks
- Unrestricted use of the screening tool
- Advance warning on stocks that are getting Upgraded or Downgraded
- "Top of the Class" list of the best stocks in every sector and sub-industry

**\$1/week** for an annual subscription

**GET STARTED FOR FREE**

### Dividend Stock Advisor

#### *Dividend stock investing on a 12-month or longer horizon.*



David Peltier identifies the best of breed dividend stocks that pay a reliable AND significant income stream.

*TheStreet Quant Ratings* is TheStreet's proprietary quantitative and algorithmic stock rating service and it will put your portfolio through the kind of tough scrutiny it must pass to succeed in 2013.

#### **With *Dividend Stock Advisor* you get:**

- Full 24/7 access to the Dividend Stock Advisor model portfolio and website which Portfolio Manager David Peltier updates whenever a new stock is added or removed, plus an archive of all email reports.
- Market updates plus breaking economic and corporate financial news.
- Reports sent to your email inbox, PDA or smart phone every other week with a complete description of today's best, high potential growth and income-producing Dividend Stocks and the exact steps to take—BUY, SELL or HOLD.
- Biweekly summaries of all stocks listed in my model portfolio and all changes made for the period

**\$1/week** for an annual subscription

**GET STARTED FOR FREE**