

Founder's Note

While trading in my personal account I realized that by holding undervalued dividend paying stocks along with selling covered calls an investor can increase their portfolio returns.

Years later I'm creating this newsletter to help investors identify dividend paying stocks that are overlooked and undervalued.

Good Investing,

Gregory S. Davis
Investment Advisor

Premier Issue



Inside

Stock Picking Methodology

Gregory S. Davis of G. Davis Capital explains how the 3 REIT stocks were chosen. 2

Investment Approach

Given the 70% increase of the market over the past year investors should consider defensive entry methods. 2

Options Corner

Generate additional income by selling covered call. Along with locking in gains by selling puts on stock you already own. 2



Research | Education | Insurance

G. Davis Capital

"Investing is not just financial."

DIVIDEND STORY

Investing on your own can be very difficult. News headlines have the power to instill fear and in the next moment induce a sense of calm. The emotional ups and downs of managing a portfolio can be intense. Especially over the past two years when the Dow Jones Industrial Average has been as low as 6,547 on March 9th last year to above 11,000 this April 2010.

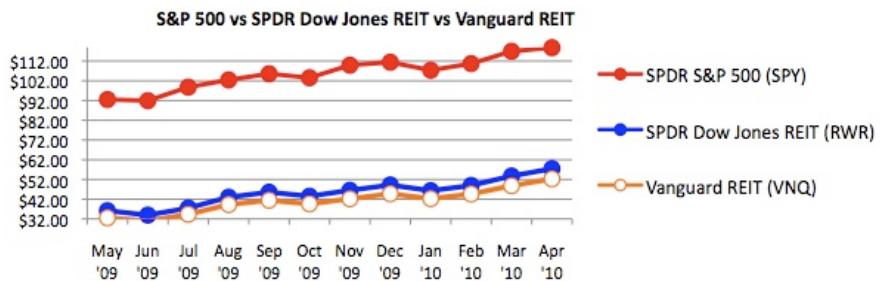
The Dividend Story can be used as a guide for the investor who would rather not go forward alone. Every dividend stock mentioned will not be right for every portfolio, but they can act as a road map investors can follow when they don't know which way to go.

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DJIA: 11,008	NASDAQ: 2,461	S&P 500: 1,186	US\$ Index:
Gold: 1,180	10YrBond: 3.66%	Oil: \$86.15	82.18

3 REIT Dividend Plays

- | | |
|---------------------------------|-----|
| 1. DiamondRock Hospitality Co. | DRH |
| 2. HRPT Trust Properties | HRP |
| 3. Hospitality Properties Trust | HPT |



Over the past 12 months the S&P 500 Index has risen 36% while the RWR and VNQ ETFs have increased 75% and 74% respectively. Investors should consider the potential for a near term decline in the REIT sector. The following are REITs trading near their book value that could still have room to improve especially if we see a pull back in the broad market as measured by the S&P 500 below 1000.



Keys to Investing: Diversification...Periodic Rebalancing

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