

2010 Annual Performance Review for Baby Boomer Portfolio

This Special Report will provide an analysis of our returns for the Baby Boomer Portfolio (BBP) for 2010.

We originally introduced the BBP in May of 2008. Then, we wrote about the purpose and goals of the BBP; click below to review the report:

<http://www.superstockinvestor.com/page/ssi/issues/2008-05.pdf>

We did an update on the BBP in July 2009, again reviewing our goals and purposes for the portfolio; click below to review the report:

<http://www.superstockinvestor.com/page/ssi/specialreport/2009-07-13-022.pdf>

Briefly, the BBP's objective is to provide safe, high cash flow for baby boomers and retired investors.

Baby Boomer Total Return Comparisons

2010 TOTAL RETURN	
BABY BOOMER	18.41%
BABY BOOMER CASH FLOW	11.28%
MAJOR INDEXES	
DJIA	13.50%
SPX	14.64%
NASDAQ	16.91%
SHORT-TERM %	
MNY MKT FND	0.01%
C.D. 1 YR	0.48%
1 YR TRY	0.26%
10 YR TRY	3.38%

Total return includes: appreciation/depreciation, option writing, short and long-term profits and dividends. The major market returns do include dividends.

We beat the major markets on a total return and cash flow basis (to be analyzed and explained later).

Open Positions

Here are the open positions in the BBP:

Stock Symbol	Price Bought (#SHARES)	COST BASIS W/OPTN WRTNG	Date Bought	12/31/09 PX / BUY PX	12/31/09 OR BUY VALUE	SOLD OPT	10 COST BASIS	DVDND	12/31/10 PX	\$ AMOUNT	DOLLAR PROFIT + DIV.
ADP	42 (100)	32.03	JUL 08	42.82	4282	560	3722	138	46.28	\$4,628.00	1044.00
GE	22.97 (300)	24.13	JUN 08	15.13	4539	-69	4608	138	18.29	\$5,487.00	1017.00
CVX	84.35 (100)	67.71	AUG 08	76.99	7699	18	7681	284	80	\$8,000.00	603.00
JNJ	56.15 (200)	52.08	OCT 08	59.83	11966	216	11750	411	61.85	\$12,370.00	1031.00
PGH	8.02 (118)	7.17	JUNE 09	9.63	963	0	963	970	12.86	\$1,517.48	1524.48
PWE	12.97 (100)	13.52	JUNE 09	17.60	1760	-148	1908	140	23.92	\$2,392.00	624.00
SYT	24.85 (100)	24.23	AUG 09	27.94	2794	182	2612	101	29.4	\$2,940.00	429.00
T	26.82 (200)	24.58	SEP 09	28.03	5606	67	5539	252	29.38	\$5,876.00	589.00
CAG	24.64 (200)	24.64	APR 10	24.64	4928	0	4928	176	22.58	\$4,516.00	-236.00
SDY	49.1 (100)	49.10	MAY 10	49.10	4910	95	4815	94.21	51.98	\$5,198.00	477.21
MMP	42.46 (200)	47.95	JUN 10 #146	47.95	9590	65	9525	170	52.5	\$10,500.00	1145.00
EPD	32.66 (100)	32.66	JUN 10	32.66	3266	32.31	3233.69	115.75	41.61	\$4,161.00	1043.06
CLX	62.18 (200)	62.18	JULY '10 #147	62.18	12436	0	12436	220	63.28	\$12,656.00	440.00
GIS	34.27 (100)	33.05	SR 20	\$34.27	3427	122	3305	28	35.59	\$3,559.00	282.00
PAYX	25.85 (100)	25.45	SEPT '10	\$25.85	2585	40	2545	31	30.91	\$3,091.00	577.00
KMB	62.43 (100)	60.73	10/28/10 Alert#135	62.43	6243	170	6073	66	63.04	\$6,304.00	297.00
TOTALS					\$86,994.00	\$1,350.31	\$85,643.69	\$3,334.96		\$93,195.48	\$10,886.75

Let's review the above table/spreadsheet:

- The total value of the portfolio (value on 12/30/09 and purchase value if purchased in 2010) was \$86,994.

- Call option sales totaled \$1,340.31

- The portfolio dividend payouts were \$3,334.96.

2010 Short-Term Profits

Below is a list of the short-term profits we took:

CLOSED BABY BOOMER POSITIONS										
Stock Symbol	Co. Dscrptn	Shares/ Contract s Qty.	Open Price	Opened Date Alert #	Cost Basis w/ Hedges	Hedge Alert #s	Close Price	Date Closed Alert #	Total Return	Profit/ Loss Dollar Amount (Includes Dvdnd., Optns)
SHOR-TERM 2010 CLOSED										
PRU110122P55	PRU Jan. \$55 put	-1	1.45	DEC ISSUE			\$0.34	12/29/2010 #150	USE EQUITY IN ACCOUNT	\$111.00
MDT	Medtronic	100	\$33.40	OCT '10	\$32.47	141, 147	\$37.29	12/29/2010 #150	0.15%	\$482.00
BP	British Petroleum	200	(45.63 + 40.20 ASSIGN 42-1.80)	MAY 10, A #134	\$41.50	105, 111, 112, 118, 124, 127, 134, 140	\$43.60	12/22/2010 #149	5.06%	\$420.00
DIA100818P105	DIA Jul \$105 put	-1	\$3.60	5/5/2010 #97	\$4.62	101, 107, 112	\$1.95	7/27/10 #116	USE EQUITY IN ACCOUNT	\$267.00
CPO100717P30	CPO Jul \$30 put	-1	0.65	5/27/10 104			\$0.00	7/17/10 #114	USE EQUITY IN ACCOUNT	\$65.00

Stock Symbol	Co. Dscrptn	Shares/ Contract s Qty.	Open Price	Opened Date Alert #	Cost Basis w/ Hedges	Hedge Alert #s	Close Price	Date Closed Alert #	Total Return	Profit/ Loss Dollar Amount (Includes Dvnd., Optns)
2010 CLOSED										
KMB100619P6	KMB Jun \$60 put	-1	1.1	5/26 #103			\$0.00	6/18/10 #109	USE EQUITY IN ACCOUNT	\$110.00
EEM100619P3	EEM Jun \$38 put	-1	\$2.08	5/5/2010 #97	\$1.54	101	\$0.00	6/18/10 #109	USE EQUITY IN ACCOUNT	\$154.00
EPD100717P3	EPD Jul \$30 put	-1	0.65	6/2/10 SR #24			\$0.30	6/11/10 #106	USE EQUITY IN ACCOUNT	\$35.00
MMP100717P4	MMP Jul \$40 put	-1	0.8	6/2/10 SR #24			\$0.25	6/11/10 #106	USE EQUITY IN ACCOUNT	\$55.00
FEN	Energy Income &	100	\$21.50	6/2/10 SR #24			\$23.47	6/11/2010 #106	2.89%	\$66.00
KMB100522P6	KMB May \$60 put	-1	\$0.40	5/5/2010 #97			\$0.00	5/21/2010 #102	USE EQUITY IN ACCOUNT	\$40.00
SDY100417P50	S & P Dividend ETF	1	\$2.20	3/1/2010 MAR ISSUE			\$0.00	4/16/10 #98	USE EQUITY IN ACCOUNT	\$220.00
TM	TOTOTA MOTOR	100	\$74.60	FEB 2010 ISSUE	\$72.60	FEB 2010 ISSUE	\$79.86	3/22/10	10.00%	\$726.00
EFE100220P5	EFA FEB \$52 PUT SL	1	\$0.70	2/1/2010 #85			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$70.00
DIA100220P10	DIA FEB \$100 PUT SL	1	\$1.60	1/28/2010 #84			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$160.00
CVX100220P7	CVX FEB \$70 PUT SL	1	\$0.83	1/28/2010 #84			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$83.00
CPO100220P3	CPO FEB \$30 PUT SL	1	\$1.58	1/28/2010 #84			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$158.00
SYU100220P2	SYU FEB 27.50 PUT SL	1	0.6	1/28/2010 #84			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$60.00
UNH100220P3	UHN FEB \$31 PUT, SL	1	\$0.31	1/28/2010 #84			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$31.00
T100220P25	T FEB \$25 PUT, SL	1	\$0.32	1/25/2010 #83			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$32.00
KMB100220P6	FEB \$60 PUT, SL SHRT	1	\$1.00	1/25/2010 #83			\$0.00	2/19/10 #87	USE EQUITY IN ACCOUNT	\$100.00
CPOMF	SL SHRT CPO JAN \$30 PUT	1	\$2.05	OCT 09			\$0.00	1/15/10 #82	USE EQUITY IN ACCOUNT	\$205.00
TOTAL										\$3,650.00

We generated \$3,650 in short-term profits.

Most of the profits (\$2,682) were from selling short puts where we recommend using the equity in your account to establish these positions.

The majority of the short-term recommendations were short put sales. We did write a special report on the short put sale strategy. [Click here](#) to study the Special Report. This is an important strategy for us, so try to take advantage of these recommendations. We are basically being paid to buy a stock.

With most short put recommendations we do state - if you can't do the option buy the underlying stock.

Long-term Closed Positions

We did sell two long-term positions:

LONG-TERM CLOSED POSITIONS 2010										
Stock Symbol	Co. Dscrptn	Shares/ Contract s Qty.	Open Price	Opened Date Alert #	Cost Basis w/ Hedges	Hedge Alert #s	Close Price	Date Closed Alert #	Total Return	Profit/ Loss Dollar Amount (Includes Dvdnd., Optns)
HON	HONEY WELL INTNL, INC.	200	\$40.90(100@43100Assign 38.89)	SEP 08	35.36 (HON100918C40.83)	26, 29, 30, 31, 32, 36, 39, 40, 47, 50, 56, 62, 65, 67, 76, 80,86, 89, 97, 98, 108, 114, 115, 120, 121	\$40.00	9/17/2010 #125	19.10% ANNL 9.55%	\$1,351.50
UNH	United Health Group	100	\$33.00	DEC 09	29.70 (UNH100918C311.67)	81, 104, 109, 111, 121	\$31.00	9/17/2010 #125	4.37%	\$130.00
TOTAL										\$1,481.50

Total long-term profits taken were \$1,481.50.

Details of Calculation of GEA Portfolio Performance and Cash Flow

Below is a breakdown of the GEA portfolio's performance.

PORTFOLIO VALUE 12/31/09 AND NEW ADDITIONS 2010							\$86,994.00	
APPRECIATION/DEPRECIATION ALL OPEN POSITIONS							\$6,201.48	
OPTION WRITING PREMIUMS (LONG & SHORT-TERM POSITIONS)							\$1,350.31	
SHORT TERM PROFITS							\$3,650.00	
LONG-TERM PROFITS							\$1,481.00	
DIVIDENDS							\$3,334.96	
TOTAL SHORT-TERM PROFITS, OPTION WRITING PREMIUMS, APPRECIATION (DEPRECIATION)							\$16,017.75	
TOTAL RETURN 2010 (\$16,017.75 divided by GEA PORTFOLIO AVG. VALUE 2010 \$86,994.15)							18.41%	
CASH FLOW								
OPTION PREMIUMS							\$1,350.31	
DIVIDENDS							\$3,334.96	
SUBTOTAL							\$4,685.27	5.39%
LONG TERM PROFITS							\$1,481.00	
SHORT TERM PROFITS							3,650.00	
LONG+SHORT TERM PROFITS							\$5,131.00	5.90%
TOTAL CASH FLOW							\$9,816.27	11.28%

Let's review this table:

-The value of the portfolio at the end of 12/31/09 and five new recommendations is \$86,994

-The total return was 18.41% based on appreciation/depreciation of open positions, plus dividends, option premiums, short and long-term profits divided by the average value of the portfolio.

The yield and total return is understated because the last four stocks were added the second half of the year, and did not have time to generate dividends, option writing, and appreciation. We were still able to beat the major indexes.

-Total cash flow was \$9,816.27 yielding 11.28% from invested capital for 2010 (again understated, as most stock were not held for a full year).

Option writing, selling short puts, and short-term profits are the main source of cash flow

Again, one of the main objectives of the portfolio is to safely generate enough cash from a portfolio to help fund a retired couple's retirement, or to safely build wealth a total return portfolio for baby boomers.

The cash flow generated is better than most assets, strategies:

2010	
BABY BOOMER CASH FLOW	11.28%
SHORT- TERM %	
MNY MKT FND	0.01%
C.D. 1 YR	0.48%
1 YR TRY	0.26%
10 YR TRY	3.38%

We substantially beat the cash flow yields of most income producing investments that we short-term and the 10-year Treasury.

We are proud to say that we are meeting our goals to provide safe cash flow and total return, the type that retired investors and baby boomers need.

Past performance is not a guarantee of future results. Your returns could be different due to commissions, and slippage (actual purchase price versus recommended price). We track our recommendations and cash flow for education and to monitor performance. SuperstockInvestor and the Buttonwood Club do not own these stocks.