

2010 Semi-Annual Performance Review for Baby Boomer Portfolio

This Special Report will provide a performance analysis of our returns for the Baby Boomer Portfolio for 2010.

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

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

We did an update on the Baby Boomer Portfolio in July of last year, 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 Baby Boomer portfolio's objective is to provide safe, high cash flow for retired investors.

Baby Boomer Total Return Comparisons

2010 1ST HALF	
BABY BOOMER	0.09%
BABY BOOMER CASH FLOW	5.99%
MAJOR INDEXES	
DJIA	-5.84%
SPX	-7.38%
NASDAQ	-7.82%
SHORT-TERM %	
C.D. 6 MONTH	0.38%
2 YR TR	0.31%
10 YR TR	1.48%

Total return includes appreciation/depreciation, option writing and dividends. The major market returns do include dividends.

We beat the major markets as they are all have negative returns year-to-date. The short-term yielding investments are the cash flow returns for the first half of the year. The cash flow from the Baby Boomer portfolio beat most income producing investments.

Open Positions

Here are the holdings in the portfolio:

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	6/30/10 PX	\$ AMOUNT	DOLLAR PROFIT + DIV.
ADP	42 (100)	34.83	JUL 08	42.82	4282	280	4002	68	40.26	\$4,026.00	92.00
GE	22.97 (300)	24.13	JUN 08	15.13	4539	-69	4608	60	14.42	\$4,326.00	-222.00
CVX	84.35 (100)	67.71	AUG 08	76.99	7699	-50	7749	140	67.86	\$6,786.00	-823.00
HON	40.9 (200)	36.59	SEP 08	39.2	7840	-122	7962	60.5	39.03	\$7,806.00	-95.50
JNJ	56.15 (200)	52.08	OCT 08	59.83	11966	180	11786	95	59.06	\$11,812.00	121.00
PGH	8.02 (118)	7.17	JUNE 09	9.63	963	0	963	48.58	9.16	\$1,080.88	166.46
PWE	12.97 (100)	13.52	JUNE 09	17.60	1760	-290	2050	87.71	19.02	\$1,902.00	-60.29
SYI	24.85 (100)	24.23	AUG 09	27.94	2794	42	2752	50	28.57	\$2,857.00	155.00
T	26.82 (200)	24.58	SEP 09	28.03	5606	178	5428	168	24.19	\$4,838.00	-422.00
UNH	33 (100)	31.77	DEC 09	30.48	3048	123	2925	15.56	28.4	\$2,840.00	-69.44
CAG	24.64 (200)	24.64	APR 10	24.64	4928	0	4928	80	23.32	\$4,664.00	-184.00
BP	45.63 (100)	45.63	MAY 10	45.63	4563	0	4563	0	28.88	\$2,888.00	-1675.00
SDY	49.1 (100)	49.10	MAY 10	49.10	4910	0	4867.9	42.1	45.14	\$4,514.00	-311.80
MMP	42.46 (100)	42.06	JUN 10	42.46	4246	40	4246	0	46.75	\$4,675.00	429.00
EPD	32.66 (100)	32.66	JUN 10	32.66	3266	0	3266	0	35.37	\$3,537.00	271.00
TOTALS					\$72,410.00	\$312.00	\$72,095.90	\$915.45		\$68,551.88	-\$2,628.57
SHORT-TERM RISKY											
DIA Jul \$106 put	3.60			3.60	360		360		8.08	\$808.00	-448.00
BP Jul \$44 put	11.8			11.8	1180		1180		15.65	\$1,565.00	-385.00
CPO Jul \$30 put	0.65			0.65	65		65		0.8	\$80.00	-15.00
TOTAL					1605					\$2,453.00	-848.00

Let's review the above table/spreadsheet:

- The total value of the portfolio (value on 12/30/09 and purchase value if purchased this year) was \$72,410.

- Option sales totaled only \$312

We need to write more options in the 2nd half

- The portfolio yielded \$915.45 in dividends.

- Over \$20,000 was added the last few months, so the returns are understated. We were not able to write additional options, or collect more dividends, or see much appreciation from these recommendations.

Again, returns are understated.

-BP has been a drag on the portfolio. We still believe it will be a cash flow generator because of its significant reserves, and the potential for much higher energy prices long-term.

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 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
EFE100220P52	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
SYI100220P2	SYI 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										\$2,305.00

We generated \$2,305 in short-term profits.

Many of the profits are from selling short puts where we recommend using the equity in your account to establish these positions.

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							\$72,410.00	
AVG. PORTFOLIO VALUE 2010 (\$45,493 +72,410 DIVIDED BY 2)							\$58,951.15	
APPRECIATION/DEPRECIATION ALL OPEN POSITIONS							-\$3,476.57	
OPTION WRITING PREMIUMS (LONG & SHORT-TERM POSITIONS)							\$312.00	
SHORT TERM PROFITS							\$2,305.00	
LONG-TERM PROFITS							\$0.00	
DIVIDENDS SHORT & LONG-TERM POSITIONS							\$915.45	
TOTAL SHORT-TERM PROFITS, OPTION WRITING PREMIUMS, APPRECIATION (DEPRECIATION)							\$55.88	
TOTAL RETURN 1st HALF 2010 (\$55.88 divided by GEA PORTFOLIO AVG. VALUE 2010 \$58,951.15)							0.09%	
CASH FLOW								
OPTION PREMIUMS							\$312.00	
DIVIDENDS							\$915.45	
SUBTOTAL							\$1,227.45	2.08%
SHORT TERM PROFITS							2,305.00	
TOTAL CASH FLOW							\$3,532.45	5.99%

Let's review this table:

-The value of the portfolio at the end of 12/31/09 and five new recommendations is \$72,410

The four new recommendations were added the last few months and bring down the total return of the portfolio. We averaged the mid-year 2010 value and the end of the 2009 value; this value is \$58,951.15 and is what we use to calculate our returns and cash flow yield.

-The total return was .09% based on appreciation/depreciation of open positions, plus dividends, option premiums, short -term profits divided by the average value of the portfolio, \$58,951.15.

Again, the yield is understated because the last four stocks added did not have time to generate dividends, option writing, and appreciation.

-Total cash flow was \$3,532.45 yielding 5.99% from invested 2010 average capital

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 generate enough cash from a portfolio to help fund a retired couple's retirement.

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

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).