Value Line®

PRODUCT GUIDE

The Value Line Investment Survey® — Selection & Opinion

Smart research. Smarter investing.™

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PART 1 — QUICK OVERVIEW

The *Selection & Opinion* (S&O) service brings you Value Line's latest weekly economic and stock market commentary, along with a whole host of additional information that can prove invaluable to you in overseeing your investments. More specifically, the product includes economic data and forecasts, four actively-managed Model Portfolios, stock screens, highlights, and special features. If you spend time with the S&O each week, you will receive valuable investment ideas and insights.

PART 2 — ECONOMIC MATERIALS

Each week, the *Selection & Opinion* includes Value Line's Economic and Stock Market Commentary, which is composed by Harvey S. Katz, CFA. Mr. Katz is our Chief Economist and Managing Editor, and has been with Value Line for more than three decades. The economic commentary provides readers with the latest hard facts on the state of the domestic and global economy, as well as our thoughts on the stock market's current and future prospects. Recent and upcoming economic and corporate reports are also discussed in this section.

Beneath the Economic and Stock Market Commentary are the Closing Stock Market Averages as of Press Time. This table displays the recent prices (current and week ago) and percent changes (one week and 12 months) of the major market indexes, including the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ. Value Line's two indexes, the Geometric (VALUG) and Arithmetic (VALUA) are also showcased.

Further on in the S&O, Value Line provides the Selected Yields of a variety of fixed-income securities. For instance, we provide data on Bank CDs, U.S. Treasuries, Corporate Bonds, and other taxable securities. On the tax-exempt front, information on Bond Buyer Indexes and General Obligation Bonds, among other statistics are displayed. Lower down, Federal Reserve Data, such as Bank Reserves and the Money Supply can be found.

THE VALUE LINE Investment Survey®

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File in page order in the *Selection & Opinion* binder.

PART 2 — *Selection & Opinion* — FEBRUARY 5, 2016

Dear Subscribers,

As part of our ongoing efforts to keep *The Value Line Investment Survey* the most valuable investment resource for our subscribers, all updated Ranks are now being released on the Value Line Web Site by 8:00 A.M. Eastern Time on Mondays. You can access all the Ranks each week at www.valueline.com by entering your user name and password. We look forward to continuing to provide you with accurate and timely investment research. Thank you.

The Value Line View

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The *Selection & Opinion* Index appears on page 3892 (November 27, 2015)

In Three Parts: Part 1 is the Summary & Index. This is Part 2, Selection & Opinion. Part 3 is Ratings & Reports. Volume LXXI, Number 25.

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See back cover for important disclosure.

ECONOMIC AND STOCK MARKET COMMENTARY

Housing continues to provide a solid underpinning for the nation's economy, with recent weeks seeing the release of data showing a surge in sales of previously owned homes, a solid increase in the sale of new dwellings, and further resilience in housing starts and building permits. The 14.7% jump in housing resales in December was especially welcome, as this large market—with 5.46 million transactions in 2015—saw the highest level of sales since 2006. Importantly, we think housing will continue to do well given the likely persistence of low mortgage rates. However . . .

Some other sectors are running uphill, with recent data, for example, affirming sluggishness in the leading indicators, in industrial production, and in retail sales, but a modest rise in consumer confidence. Overall . . .

We probably will start the year off slowly on the business front, with the U.S. gross domestic product perhaps not gaining much more than 2% in the current period. Moreover, even this forecast assumes that the weather, a major depressant in the opening quarters of 2014 and 2015, will be less of an issue this year.

Meanwhile, developments on the global front still are dominating the headlines. Specifically, the slowdown in China's once-formidable rate of growth is continuing. Indeed, this deceleration is raising concerns in the world's other economies, where, for instance, oil prices, even after a recent uptick, remain near multi-year lows and the demand for projects associated with the energy sector is easing. These problems, and the recent global economic and financial headwinds, likely were instrumental in the Federal Reserve's late-January decision to keep interest rates at their present levels. We think that we could be well into the spring before the Fed decides to raise rates again.

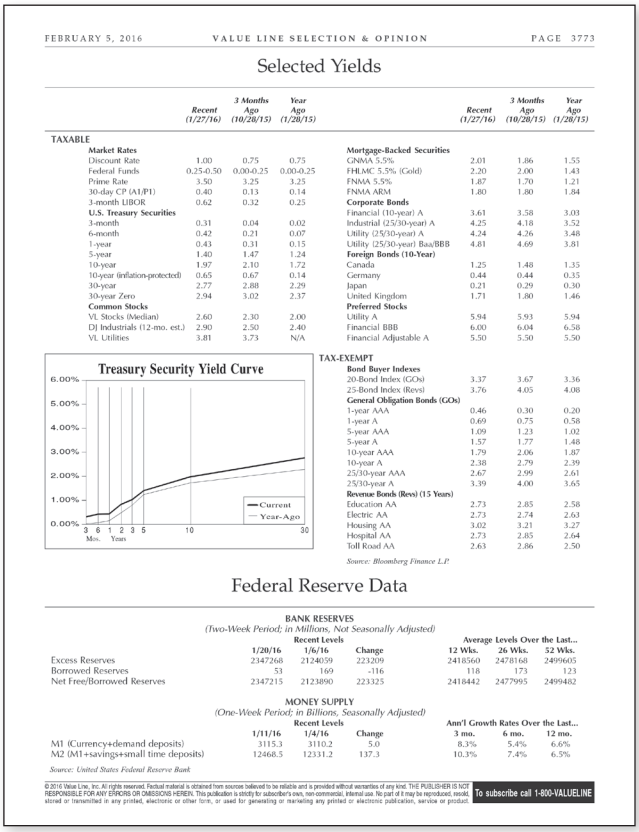
The bulls have been engaged in an uphill battle, as well. But after a series of unrelenting declines to start the year, the market has been able to intermittently halt its slide, as it strives to put in a possible base from which to slowly recover. This effort has been helped by selective support on the earnings front and by attempts to secure a bottom in oil prices via some efforts to ease the supply glut.

Conclusion: We continue to think that much of the earlier bad news is already baked into the market. So we remain cautiously upbeat on equities. Please refer to the inside back cover of *Selection & Opinion* for our statistically-based Asset Allocation Model's current reading.

CLOSING STOCK MARKET AVERAGES AS OF PRESS TIME

	1/20/2016	1/27/2016	% Change 1 week	% Change 12 months
Dow Jones Industrial Average	15766.74	15944.46	+1.1%	-8.3%
Standard & Poor's 500	1859.33	1882.95	+1.3%	-7.2%
N.Y. Stock Exchange Composite	9156.84	9373.78	+2.4%	-13.1%
NASDAQ Composite	4471.69	4468.17	-0.1%	-4.6%
NASDAQ 100	4136.28	4128.86	-0.2%	-0.9%
Amex Major Market Index	1914.13	1996.80	+4.3%	-19.6%
Value Line (Geometric)	392.58	401.29	+2.2%	-19.2%
Value Line (Arithmetic)	3853.65	3946.98	+2.4%	-15.0%
London (FTSE 100)	5673.58	5990.37	+5.6%	-12.1%
Tokyo (Nikkei)	16416.19	17163.92	+4.6%	-3.4%
Russell 2000	999.32	1002.75	+0.3%	-16.1%

The front page of Selection & Opinion



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Selected Yields

	Recent (1/27/16)	3 Months Ago (10/28/15)	Year Ago (1/28/15)
TAXABLE			
Market Rates			
Discount Rate	1.00	0.75	0.75
Federal Funds	0.25-0.50	0.00-0.25	0.00-0.25
Prime Rate	3.50	3.25	3.25
30-day CP (A1/P1)	0.40	0.13	0.14
3-month LIBOR	0.62	0.32	0.25
U.S. Treasury Securities			
3-month	0.31	0.04	0.02
6-month	0.42	0.21	0.07
1-year	0.43	0.31	0.15
5-year	1.40	1.47	1.24
10-year	1.97	2.10	1.72
10-year (inflation-protected)	0.65	0.67	0.14
30-year	2.77	2.88	2.29
30-year Zero	2.94	3.02	2.37
Common Stocks			
VL Stocks (Median)	2.60	2.30	2.00
DJ Industrials (12-mo. est.)	2.90	2.50	2.40
VL Utilities	3.81	3.73	N/A

	Recent (1/27/16)	3 Months Ago (10/28/15)	Year Ago (1/28/15)
Mortgage-Backed Securities			
GNMA 5.5%	2.01	1.86	1.55
FHLMC 5.5% (Gold)	2.20	2.00	1.43
FNMA 5.5%	1.87	1.70	1.21
FNMA ARM	1.80	1.80	1.84
Corporate Bonds			
Financial (10-year) A	3.61	3.58	3.03
Industrial (25/30-year) A	4.25	4.18	3.52
Utility (25/30-year) A	4.24	4.26	3.48
Utility (25/30-year) Baa/BBB	4.81	4.69	3.81
Foreign Bonds (10-Year)			
Canada	1.25	1.48	1.35
Germany	0.44	0.44	0.35
Japan	0.21	0.29	0.30
United Kingdom	1.71	1.80	1.46
Preferred Stocks			
Utility A	5.94	5.93	5.94
Financial BBB	6.00	6.04	6.58
Financial Adjustable A	5.50	5.50	5.50
TAX-EXEMPT			
Bond Buyer Indexes			
20-Bond Index (GOs)	3.37	3.67	3.36
25-Bond Index (Revs)	3.76	4.05	4.08
General Obligation Bonds (GOs)			
1-year AAA	0.46	0.30	0.20
1-year A	0.69	0.75	0.58
5-year AAA	1.09	1.23	1.02
5-year A	1.57	1.77	1.48
10-year AAA	1.79	2.06	1.87
10-year A	2.38	2.79	2.39
25/30-year AAA	2.67	2.99	2.61
25/30-year A	3.39	4.00	3.65
Revenue Bonds (Revs) (15 Years)			
Education AA	2.73	2.85	2.58
Electric AA	2.73	2.74	2.63
Housing AA	3.02	3.21	3.27
Hospital AA	2.73	2.85	2.64
Toll Road AA	2.63	2.86	2.50

Treasury Security Yield Curve

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES
(Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels 1/20/16	1/6/16	Change	Average Levels Over the Last... 12 Wks.	26 Wks.	52 Wks.
Excess Reserves	2347268	2124059	223209	2418560	2478168	2499605
Borrowed Reserves	53	169	-116	118	173	123
Net Free/Borrowed Reserves	2347215	2123890	223325	2418442	2477995	2499482

MONEY SUPPLY
(One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels 1/11/16	1/4/16	Change	Ann'l Growth Rates Over the Last... 3 mo.	6 mo.	12 mo.
M1 (Currency+demand deposits)	3115.3	3110.2	5.0	8.3%	5.4%	6.6%
M2 (M1+savings+small time deposits)	12468.5	12331.2	137.3	10.3%	7.4%	6.5%

Source: United States Federal Reserve Bank

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Selected Yields

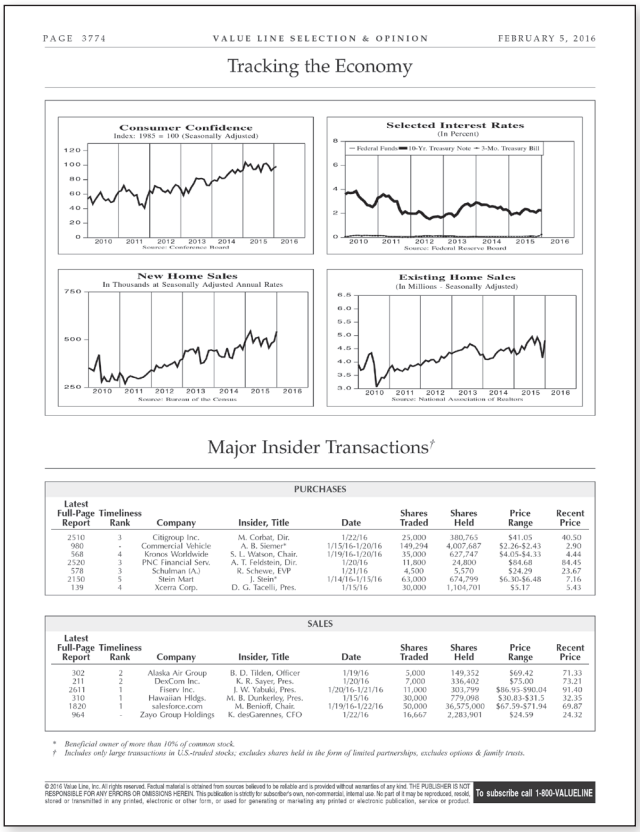
Tracking The Economy consists of a number of important charts that showcase the current state of the domestic economy. Included in this section, for example, are visual representations of the Trade Deficit, New Home Sales, and Manufacturing Index. This page also includes information on Major Insider Transactions, where investors can view the recent stock trades (purchases and sales) of officers and/or directors of the 1,700 equities that are tracked in The Value Line Investment Survey.

Next, the Market Monitor page provides a host of pertinent statistics about the universe of equities our analysts cover, including the median P/E ratio and average dividend yield. Data pertaining to important domestic yields, like the Prime Rate and Federal Funds Rate can be found here, as well.

Just below these statistics is the Value Line Asset Allocation Model. This feature is maintained by senior staff, and represents Value Line's view of the proper investment allocation in the current market. Value Line's opinion, for this model, is based only on economic and financial factors. Before considering this allocation, it is important for investors to evaluate their individual goals, investment time horizon, risk preferences, and view of the emotional element, or current "sentiment" in the market.

To the right of the Allocation Model, the S&O provides a list of the best and worst performing industries over the past six weeks. The industries are derived from *The Value Line Investment Survey*, which tracks approximately1,700 stocks across nearly 100 industries. Also in this area of the page is a list of any Financial Strength changes that occurred over the course of the past week. Financial Strength is one of Value Line's key proprietary ratings, and is a measure of the company's financial condition. It is reported on a scale of A++ (Highest) to C (Lowest), in nine increments.

In sum, Value Line's *Selection & Opinion* contains numerous data points and information that enable readers to gain a firm understanding of the current state, and future prospects, of the economy and stock market. These metrics can help investors make sound financial decisions.



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Tracking the Economy

Consumer Confidence
Index: 1985 = 100 (Seasonally Adjusted)
Source: Conference Board

Selected Interest Rates
(In Percent)
Federal Funds — 10-Yr. Treasury Note — 3-Mo. Treasury Bill
Source: Federal Reserve Board

New Home Sales
In Thousands at Seasonally Adjusted Annual Rates
Source: Bureau of the Census

Existing Home Sales
(In Millions - Seasonally Adjusted)
Source: National Association of Realtors

Major Insider Transactions*†

PURCHASES

Latest Full-Page Report	Timeliness Rank	Company	Insider, Title	Date	Shares Traded	Shares Held	Price Range	Recent Price
2510	3	Citigroup Inc.	M. Corbat, Dir.	1/22/16	25,000	380,763	$41.05	40.50
980	-	Commercial Vehicle	A. B. Siemer*	1/15/16-1/20/16	149,294	4,007,687	$2.26-$2.43	2.90
568	4	Kronos Worldwide	S. L. Watson, Chair.	1/19/16-1/20/16	35,000	627,747	$4.05-$4.33	4.44
2520	3	PNC Financial Serv.	A. T. Feldstein, Dir.	1/20/16	11,800	24,800	$84.68	84.45
578	3	Schulman (A.)	R. Schewe, EVP	1/21/16	4,500	5,570	$24.29	23.67
2130	5	Stein Mart	J. Stein*	1/14/16-1/15/16	63,000	674,799	$6.30-$6.48	7.16
139	4	Xcerra Corp.	D. G. Tacelli, Pres.	1/15/16	30,000	1,104,701	$5.17	5.43

SALES

Latest Full-Page Report	Timeliness Rank	Company	Insider, Title	Date	Shares Traded	Shares Held	Price Range	Recent Price
302	2	Alaska Air Group	B. D. Tilden, Officer	1/19/16	5,000	149,352	$69.42	71.33
211	2	DexCom Inc.	K. R. Sayer, Pres.	1/20/16	7,000	336,402	$75.00	73.21
2611	1	Fiserv Inc.	J. W. Yabuki, Pres.	1/20/16-1/21/16	11,000	303,799	$86.95-$90.04	91.40
310	1	Hawaiian Hldgs.	M. B. Dunkerley, Pres.	1/15/16	30,000	779,098	$30.83-$31.5	32.35
1820	1	salesforce.com	M. Benioff, Chair.	1/19/16-1/22/16	30,000	36,575,000	$67.59-$71.94	69.87
964	-	Zayo Group Holdings	K. deGavennes, CFO	1/22/16	16,667	2,283,901	$24.39	24.32

* Beneficial owner of more than 10% of common stock.
† Includes only large transactions in U.S.-traded stocks; excludes shares held in the form of limited partnerships, excludes options & family trusts.

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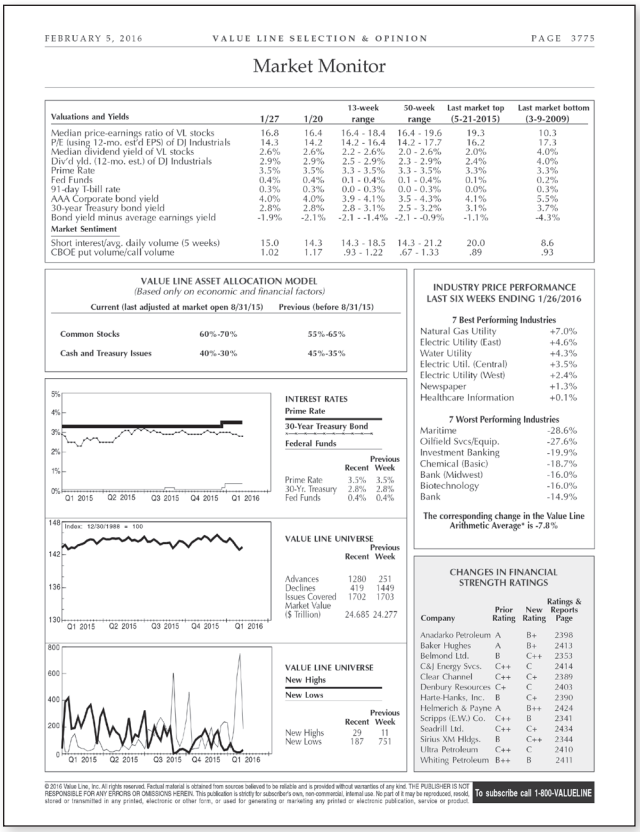
Tracking the Economy



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Market Monitor

Valuations and Yields	1/27	1/20	13-week range	50-week range	Last market top (5-21-2015)	Last market bottom (3-9-2009)
Median price-earnings ratio of VL stocks	16.8	16.4	16.4 - 18.4	16.4 - 19.6	19.3	10.3
P/E (using 12-mo. est'd EPS) of DJ Industrials	14.3	14.2	14.2 - 16.4	14.2 - 17.7	16.2	17.3
Median dividend yield of VL stocks	2.6%	2.6%	2.2 - 2.6%	2.0 - 2.6%	2.0%	4.0%
Div'd yld. (12-mo. est.) of DJ Industrials	2.9%	2.9%	2.5 - 2.9%	2.3 - 2.9%	2.4%	4.0%
Prime Rate	3.5%	3.5%	3.3 - 3.5%	3.3 - 3.5%	3.3%	3.3%
Fed Funds	0.4%	0.4%	0.1 - 0.4%	0.1 - 0.4%	0.1%	0.2%
91-day T-bill rate	0.3%	0.3%	0.0 - 0.3%	0.0 - 0.3%	0.0%	0.3%
AAA Corporate bond yield	4.0%	4.0%	3.9 - 4.1%	3.5 - 4.3%	4.1%	5.5%
30-year Treasury bond yield	2.8%	2.8%	2.8 - 3.1%	2.5 - 3.2%	3.1%	3.7%
Bond yield minus average earnings yield	-1.9%	-2.1%	-2.1 - -1.4%	-2.1 - -0.9%	-1.1%	-4.3%
Market Sentiment						
Short interest/avg. daily volume (5 weeks)	15.0	14.3	14.3 - 18.5	14.3 - 21.2	20.0	8.6
CBOE put volume/call volume	1.02	1.17	.93 - 1.22	.67 - 1.33	.89	.93

VALUE LINE ASSET ALLOCATION MODEL
(Based only on economic and financial factors)

	Current (last adjusted at market open 8/31/15)	Previous (before 8/31/15)
Common Stocks	60%-70%	55%-65%
Cash and Treasury Issues	40%-30%	45%-35%

INTEREST RATES
Prime Rate
30-Year Treasury Bond
Federal Funds

	Recent	Previous Week
Prime Rate	3.5%	3.5%
30-Yr. Treasury	2.8%	2.8%
Fed Funds	0.4%	0.4%

VALUE LINE UNIVERSE
Index: 12/30/1988 = 100

	Recent	Previous Week
Advances	1280	251
Declines	419	1449
Issues Covered	1702	1703
Market Value ($ Trillion)	24.685	24.277

VALUE LINE UNIVERSE
New Highs
New Lows

	Recent	Previous Week
New Highs	29	11
New Lows	187	731

INDUSTRY PRICE PERFORMANCE
LAST SIX WEEKS ENDING 1/26/2016

7 Best Performing Industries

Natural Gas Utility	+7.0%
Electric Utility (East)	+4.6%
Water Utility	+4.3%
Electric Util. (Central)	+3.5%
Electric Utility (West)	+2.4%
Newspaper	+1.3%
Healthcare Information	+0.1%

7 Worst Performing Industries

Maritime	-28.6%
Oilfield Svcs/Equip.	-27.6%
Investment Banking	-19.9%
Chemical (Basic)	-18.7%
Bank (Midwest)	-16.0%
Biotechnology	-16.0%
Bank	-14.9%

The corresponding change in the Value Line Arithmetic Average* is -7.8%

CHANGES IN FINANCIAL STRENGTH RATINGS

Company	Prior Rating	New Rating	Ratings & Reports Page
Anadarko Petroleum	A	B+	2398
Baker Hughes	A	B+	2413
Belmond Ltd.	B	C++	2353
C&J Energy Svcs.	C++	C	2414
Clear Channel	C++	C+	2389
Denbury Resources	C+	C	2403
Harte-Hanks, Inc.	B	C+	2390
Helmerich & Payne	A	B++	2424
Scripps (E.W.) Co.	C++	B	2341
Seadrill Ltd.	C++	C+	2434
Sirius XM Hldgs.	B	C++	2344
Ultra Petroleum	C++	C	2410
Whiting Petroleum	B++	B	2411

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Market Monitor and Value Line Asset Allocation Model

PART 3 — MODEL PORTFOLIOS

For those individuals that want more direct guidance in regard to stock selections, our S&O contains four Model Portfolios, each one with a specific investment objective. The portfolios are actively managed, updated each week, and always contain 20 equities each.

Portfolio I, Stocks with Above-Average Year-Ahead Price Potential, is built on Value Line's renowned Timeliness Ranking System. It is primarily suitable for investors who wish to take more risk in hopes of greater returns than might be afforded in Portfolios II or III. To qualify for purchase, stocks have to be ranked 1 (Highest) or 2 (Above Average) for Timeliness. To reduce portfolio turnover (and recognizing the fact that many good growth stocks go up and down in price along the way), a stock may be held until it drops to 3 (Average) for Timeliness, and then it must be sold. We attempt to diversify the holdings as much as possible, but note that the Timeliness Rank tends to favor high earnings growth and more volatile issues that may cluster in a few industries.

PORTFOLIO I: STOCKS WITH ABOVE-AVERAGE YEAR-AHEAD PRICE POTENTIAL

(primarily suitable for more aggressive investors)

Ratings & Reports Page	Ticker	Company	Recent Price	Time-liness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
1606	AGN	Allergan plc	321.13	2	2	18.0	Nil	0.80	A+	Drug
441	ADS	Alliance Data Sys.	304.90	1	3	20.5	Nil	1.10	B++	Information Services
1398	AAPL	Apple Inc.	125.61	2	2	13.6	1.7	0.90	A++	Computers/Peripherals
825	CERN	Cerner Corp.	71.30	1	2	33.5	Nil	0.95	A+	Healthcare Information
970	ESRX	Express Scripts	91.36	2	3	28.1	Nil	1.00	A	Pharmacy Services
2217	FL	Foot Locker	70.19	2	3	18.2	1.4	1.05	B++	Retail (Softlines)
734	ITW	Illinois Tool Works	94.04	2	1	18.3	2.1	1.10	A++	Metal Fabricating
400	JLL	Jones Lang LaSalle	176.33	2	3	18.5	0.3	1.35	B++	Industrial Services
1393	LRCX	Lam Research	79.85	2	3	17.2	1.5	1.20	A	Semiconductor Equip
221	MCK	McKesson Corp.	233.83	1	1	19.6	0.4	0.75	A++	Med Supp Non-Invasive
1158	MHK	Mohawk Inds.	196.05	2	3	20.9	Nil	1.25	B+	Furn/Home Furnishings
326	ODFL	Old Dominion Freight	67.37	1	3	18.5	Nil	1.05	B++	Trucking
574	POL	PolyOne Corp.	39.19	2	3	18.7	1.0	1.45	B+	Chemical (Specialty)
327	R	Ryder System	91.46	2	3	14.2	1.8	1.30	B+	Trucking
133	ST	Sensata Technologies	51.22	2	3	17.4	Nil	1.20	B++	Precision Instrument
419	SRCL	Stericycle Inc.	135.16	1	2	28.8	Nil	0.80	B++	Environmental
134	TMO	Thermo Fisher Sci.	136.59	2	2	18.6	0.4	1.05	A	Precision Instrument
1144	TSCO	Tractor Supply	93.30	1	2	31.1	0.9	1.00	A++	Retail Building Supply
820	UHS	Universal Health Sv. 'B'	143.38	2	3	21.7	0.3	1.10	B+	Medical Services
2366	WYN	Wyndham Worldwide	86.16	1	3	17.6	1.9	1.25	B+	Hotel/Gaming

To qualify for purchase in the above portfolio, a stock must have a Timeliness Rank of 1 or 2 and a Financial Strength Rating of at least B+. If a stock's Timeliness rank falls to 3, or lower, it will be automatically removed. Stocks in the above portfolio are selected and monitored by Charles Clark, Associate Research Director.

Portfolio I: Stocks with Above-Average Year-Ahead Price Potential

Portfolio II, Stocks for Income and Potential Price Appreciation, combines our Timeliness Ranking System with an investment objective for above-average income. This portfolio is primarily suitable for more-conservative investors. To qualify for purchase, a stock's yield (the estimated annual dividend for the next 12 months divided by the recent stock price) must be higher than the median yield for all approximately 1,700 stocks Value Line follows. The stock must also have a Timeliness rank of at least 3. The higher-than-average yields provide support to the shares in down markets. This portfolio tends to be less volatile because the companies, as a whole, are more likely to be mature and predictable.

PORTFOLIO II: STOCKS FOR INCOME AND POTENTIAL PRICE APPRECIATION

(primarily suitable for more conservative investors)

Ratings & Reports Page	Ticker	Company	Recent Price	Time-liness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
2603	ADP	Automatic Data Proc.	81.89	2	1	20.6	2.6	0.90	A++	IT Services
1903	BGS	B&G Foods	29.31	2	3	19.5	4.6	0.80	B+	Food Processing
2653	BX	Blackstone Group LP	41.07	3	3	9.6	8.7	1.45	B++	Public/Private Equity
706	BA	Boeing	147.75	2	1	18.0	2.6	1.05	A++	Aerospace/Defense
2509	CM.TO	Can. Imperial Bank	91.09	3	1	10.0	4.8	0.70	A+	Bank
1191	CLX	Clorox Co.	108.62	3	2	23.4	2.9	0.65	B++	Household Products
1596	DOW	Dow Chemical	53.04	3	3	17.1	3.3	1.40	A	Chemical (Basic)
989	ETN	Eaton Corp. plc	66.43	3	2	13.8	3.3	1.30	A+	Auto Parts
2555	AJG	Gallagher (Arthur J.)	48.11	3	1	26.6	3.1	0.85	A	Financial Svcs. (Div.)
1365	INTC	Intel Corp.	29.65	3	1	13.8	3.2	1.00	A++	Semiconductor
1164	IP	Int'l Paper	47.75	3	3	20.8	3.4	1.20	B+	Paper/Forest Products
219	JNJ	Johnson & Johnson	99.78	3	1	16.4	3.0	0.75	A++	Med Supp Non-Invasive
1155	LEG	Leggett & Platt	50.80	2	2	24.8	2.4	1.15	A	Furn/Home Furnishings
2522	RY.TO	Royal Bank of Canada	76.90	2	1	11.8	4.2	0.70	A	Bank
1728	SNA	Snap-on Inc.	163.35	1	2	20.5	1.3	1.15	A+	Machinery
1729	SWK	Stanley Black & Decker	107.59	3	2	18.6	1.9	1.10	A	Machinery
1383	TSM	Taiwan Semic. ADR	22.80	2	2	12.3	2.2	0.95	A	Semiconductor
2153	TGT	Target Corp.	84.10	3	1	18.5	2.7	0.70	A	Retail Store
775	TRV	Travelers Cos.	102.38	3	1	10.9	2.4	0.80	A++	Insurance (Prop/Cas.)
1172	WY	Weyerhaeuser Co.	31.26	3	3	27.2	3.7	1.05	B+	Paper/Forest Products

To qualify for purchase in the above portfolio, a stock must have a yield that is in the top half of the Value Line universe, a Timeliness Rank of at least 3 (unranked stocks may be selected occasionally), and a Safety Rank of 3 or better. If a stock's Timeliness Rank falls below 3, that stock will be automatically removed. (Occasionally a stock will be unranked (NR), usually because of a short trading history or a major corporate reorganization.) Stocks are selected and monitored by Craig Sirois, Editorial Analyst.

Portfolio II: Stocks for Income and Potential Price Appreciation

Portfolio III, Stocks with Long-Term Price Growth Potential, is based on the fundamental research of our staff of research analysts. This portfolio is suitable for investors with a 3- to 5-year horizon; in terms of risk, it falls somewhere between Portfolios I and II. This portfolio tends to be the most flexible, allowing purchases of a broader array of companies. It is constructed under the principles of modern portfolio theory, which state that the risk of a portfolio should be viewed within the context of a portfolio as a whole, rather than judging the portfolio according to the average rankings of individual securities it holds. To that end, this portfolio is generally well diversified, comprising stocks in a variety of different non-related industries.

Portfolio IV focuses on stocks with above-average dividend yields. Investors seeking current income are likely to find interest here. Stocks selected for the portfolio must have a yield at least 1% above the median of all dividend-paying stocks tracked in *The Value Line Investment Survey*, a Timeliness rank of at least 3, and a Financial Strength rating of at least a B+ at the time of purchase. Although the senior analyst managing Portfolio IV may sell a holding at any time, replacing it with a new stock with better prospects, any stock whose Timeliness rank falls below 4 is automatically replaced. Despite the focus on dividend yield and current income, stocks are typically selected from a broad range of industries, providing a meaningful degree of diversification. The portfolio's risk profile will likely be less than the broader market, given the typical concentration of low-Beta stocks.

The investment performance of all four portfolios is published quarterly in the *Selection & Opinion*.

PORTFOLIO III: STOCKS WITH LONG-TERM PRICE GROWTH POTENTIAL

(primarily suitable for investors with a 3- to 5-year horizon)

Ratings & Reports Page	Ticker	Company	Recent Price	Time-liness	Safety	P/E	Yield%	Beta	3- to 5-yr Appreciation Potential	Industry Name
758	ALL	Allstate Corp.	67.59	3	1	12.1	1.8	0.90	40 - 70%	Insurance (Prop/Cas.)
1398	AAPL	Apple Inc.	125.61	2	2	13.6	1.7	0.90	20 - 65	Computers/Peripherals
2507	BK	Bank of New York Mellon	42.53	3	3	15.8	1.6	1.20	40 - 100	Bank
968	CVS	CVS Health	109.82	2	1	21.3	1.3	0.90	5 - 30	Pharmacy Services
804	DVA	DaVita HealthCare	80.07	3	2	21.1	Nil	0.85	10 - 55	Medical Services
2330	DIS	Disney (Walt)	117.85	1	1	23.7	1.1	1.05	-15 - 5	Entertainment
2309	HOG	Harley-Davidson	57.61	3	3	14.4	2.2	1.25	30 - 100	Recreation
1918	HRL	Hormel Foods	58.35	2	1	22.3	1.9	0.75	10 - 35	Food Processing
186	ISRG	Intuitive Surgical	491.95	3	3	37.8	Nil	0.95	0 - 45	Med Supp Invasive
999	MGA	Magna Int'l 'A'	55.90	2	3	12.2	1.6	1.25	35 - 105	Auto Parts
1599	MOS	Mosaic Company	45.73	3	3	13.1	2.4	1.20	40 - 110	Chemical (Basic)
2424	NOV	National Oilwell Varco	45.52	4	3	12.7	4.0	1.30	10 - 65	Oilfield Svcs/Equip.
2112	PVH	PVH Corp.	115.76	3	3	16.9	0.1	1.30	15 - 75	Apparel
418	RSG	Republic Services	40.35	3	2	19.7	2.9	0.80	0 - 35	Environmental
377	SBUX	Starbucks Corp.	55.75	1	1	33.2	1.3	1.00	15 - 45	Restaurant
1004	TEN	Tenneco Inc.	54.09	2	4	11.8	Nil	1.75	30 - 115	Auto Parts
2196	TIF	Tiffany & Co.	93.33	3	3	21.7	1.7	1.15	20 - 70	Retail (Hardlines)
819	UNH	UnitedHealth Group	125.00	2	1	20.0	1.6	0.90	-5 - 15	Medical Services
2573	V	Visa Inc.	70.10	2	1	27.5	0.7	1.00	15 - 45	Financial Svcs. (Div.)
2367	WYNN	Wynn Resorts	107.26	3	3	30.6	1.9	1.30	110 - 215	Hotel/Gaming

To qualify for purchase in the above portfolio, a stock must have worthwhile appreciation potential. Among the factors considered for selection are a stock's Timeliness and Safety Rank and its 3- to 5-year appreciation potential. (Occasionally a stock will be unranked (NR), usually because of a short trading history or a major corporate reorganization.) Stocks in the above portfolio are selected and monitored by Justin Hellman, Editorial Analyst.

Portfolio III: Stocks with Long-Term Price Growth Potential

PORTFOLIO IV: STOCKS WITH ABOVE-AVERAGE DIVIDEND YIELDS

(primarily suitable for investors interested in current income)

Ratings & Reports Page	Ticker	Company	Recent Price	Time-liness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
922	T	AT&T Inc.	35.12	4	1	14.0	5.4	0.75	A++	Telecom. Services
903	LNT	Alliant Energy	60.30	3	2	16.8	3.6	0.80	A	Electric Util. (Central)
1031	BT	BT Group ADR	72.30	3	3	15.0	2.7	1.10	B++	Telecom. Utility
1987	BTI	Brit. Amer Tobac. ADR	113.62	4	2	15.6	4.4	0.85	B++	Tobacco
159	CAT	Caterpillar Inc.	84.46	4	2	16.6	3.6	1.25	A+	Heavy Truck & Equip
504	CVX	Chevron Corp.	95.55	4	1	20.8	4.5	1.10	A++	Petroleum (Integrated)
1964	KO	Coca-Cola	41.17	3	1	20.1	3.3	0.70	A++	Beverage
141	ED	Consol. Edison	60.42	4	1	15.1	4.4	0.60	A+	Electric Utility (East)
1596	DOW	Dow Chemical	53.04	3	3	17.1	3.3	1.40	A	Chemical (Basic)
1914	GIS	Gen'l Mills	57.25	3	1	19.5	3.1	0.65	A+	Food Processing
1529	HCP	HCP Inc.	37.81	3	3	18.0	6.0	0.80	B++	R.E.I.T.
1365	INTC	Intel Corp.	29.65	3	1	13.8	3.2	1.00	A++	Semiconductor
1405	IBM	Int'l Business Mach.	168.61	3	1	11.7	3.1	0.85	A++	Computers/Peripherals
1164	IP	Int'l Paper	47.75	3	3	20.8	3.4	1.20	B+	Paper/Forest Products
1195	KMB	Kimberly-Clark	110.95	3	1	21.3	3.2	0.60	A++	Household Products
1618	MRK	Merck & Co.	58.19	3	1	16.9	3.1	0.75	A++	Drug
1371	MCHP	Microchip Technology	45.22	3	2	16.0	3.2	1.10	A	Semiconductor
1989	RAI	Reynolds American	77.65	2	2	18.7	3.5	0.70	B+	Tobacco
152	SO	Southern Co.	43.21	4	2	15.4	5.1	0.60	A	Electric Utility (East)
423	WM	Waste Management	48.60	3	1	19.4	3.2	0.85	A	Environmental

To qualify for purchase in the above portfolio, a stock must have a yield that is at least 1% above the median for the Value Line universe, a Timeliness Rank of at least 3, and a Financial Strength Rating of at least B+. If a stock's Timeliness Rank falls below 4, that stock will be automatically removed. Stocks are selected and monitored by Adam Rosner, Editorial Analyst.

Portfolio IV: Stocks with Above-Average Dividend Yields

PART 4 — SCREENS AND STOCK SELECTIONS

Most weeks, the S&O contains at least one stock screen that can provide readers with additional investment ideas. These screens are usually derived from one or more of Value Line's proprietary ratings, and full reports on the particular stocks mentioned can be found in *The Value Line Investment Survey*. Some of the screens that commonly appear in the S&O are listed below.

- Stocks for Dividend Growth with Low Risk
- Timely Stocks with High Return on Equity
- Timely Stocks with High Price and Earnings Momentum

Stock Selections are also frequently published in the *Selection & Opinion*. When an equity appears to hold significant investor appeal, an experienced Value Line analyst will often create a detailed and thorough review of the company and provide the particular investment merits of the issue. These stocks are typically ranked favorably for Timeliness, and often hold above-average three- to five-year appreciation potential.

PART 5 — SPECIAL FEATURES

A selection of special articles and analyses are also found in S&O each quarter. Among these are the "Quarterly Economic Review", an in-depth look at the domestic economy complete with forecasts for a broad range of economic statistics, and the "Stock Market Review", an analysis of the market's twists and turns in the most recent quarter. In "Sector Analysis", S&O takes a broad view of the stocks in the *Investment Survey*, focusing on the relative performance of 10 market sectors. "The 30 Largest Market Capitalizations" is also found quarterly, featuring a review and table of 30 of the largest market cap stocks found in *The Value Line Investment Survey*.

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