Welcome

Welcome to the Investor Advisory Service! Since our newsletter was first published in 1973, the IAS has come to be a trusted source of stock investing guidance for thousands of investors.

With its unique blend of high-quality growth stock recommendations, a sensible long-term market outlook, and regular updates on past selections, the IAS has posted a track record that has garnered accolades from its loyal subscribers.

Investor Advisory Service subscribers, especially new ones, often ask how to interpret and use the information that the service provides, or where the numbers come from and what they mean.

The following is a summary of the components that make up each issue, as well as guides that briefly explain the Stock Study and the Ranking Spreadsheets. These guides may be used as a reference when reviewing past and future issues of the Investor Advisory Service. We hope you find them a valuable addition to your investment research.

On behalf of the staff and analysts at the Investor Advisory Service, we thank you for subscribing and wish you all the best in building a successful portfolio.

With Best Regards,
Doug Gerlach
Editor-in-Chief
Getting Started
The Investor Advisory Service (IAS) was created in 1973 to service the needs of individual investors who wanted to follow the investing methodologies of BetterInvesting, a non-profit investment education organization, but who would rather have professionals do much of the work of identifying and analyzing stocks.

The name of our newsletter should make our mission self-evident: We publish a service to advise investors.

More specifically, the Investor Advisory Service is an independent equity analysis newsletter providing subscribers with three high-quality, growth-oriented stock selections each month. From these recommendations, subscribers can build a stock portfolio best suited to their personal needs.

Investment Goals
Our goal for each stock recommended in IAS is a doubling in value in five years, from a combination of:

- Capital appreciation (the increase in the stock’s price)
- Dividends (though not all companies pay them)
- Price/Earnings ratio expansion (that comes from the somewhat contrarian practice of buying stocks that are undervalued compared with their historical trends).

In selecting stocks with these guidelines, a portfolio of IAS picks may be able to reach our goal of an annualized 15% total return.

Not all individual stock recommendations will achieve that goal, of course. Experience shows that some will do much better and some will do worse.

Although we are proud the IAS has generated results that have consistently been better than that of the Dow Jones Industrial Average and other market averages, there is no assurance the future will be as favorable.

Diversify Your Portfolio
A portfolio of ten to twelve stocks selected from our recommendations has a better chance of doing well than just a few selections. Of course, since no one is perfect, price declines will occur in some of the selected stocks. Adequate diversification is always prudent.
**Choose Your Own Stocks**

The *Investor Advisory Service* is an unmanaged letter advisory service. In other words, subscribers must choose on their own which stocks to buy, as well as when to hold and when to sell. We try to help the decision-making process with the assistance of our *Stock Studies* and the *Ranking Spreadsheets*. Both of these will be explored in detail later in this guide.

**Don’t Fear Selling**

It is important to recognize that we do not advocate a “trading strategy.”

We have found that holding carefully selected stocks over the long term produces the best results. No stock follows a time schedule, though, and there are always ups and downs in stock prices. If the fundamental assumptions made at the time of recommendation deteriorate, a sale may be recommended and follow-up on that stock may be discontinued. Remember, a torpedo can come out of the dark at any time.

If you buy ten stocks, chances are two will do much better than expected, two will be disappointments and the other six will follow the expected course. When a mistake has been made, it is best to acknowledge the error and sell the stock.

Waiting to get even is usually a self-defeating strategy. If you would not buy a stock that is down 25% in price, knowing that the decline is well-justified, then why continue to hold it down 25% in price, knowing that the decline is well-justified, then why continue to hold it in hopes of recovering your investment?
Publication Schedule
An annual IAS subscription includes twelve monthly issues, and each report contains three detailed stock recommendations, current market commentary, recent earnings announcements, and updated news for companies currently being tracked by the service.

The IAS is published on the fourth Friday of each month. (Exceptions may include the December and January issues when the publication dates may be adjusted due to the Thanksgiving and Christmas holidays.) The print edition is mailed to subscribers via First Class Mail on that date and generally arrives in subscriber mailboxes within two or three business days.

The online issue of IAS is released on the subscribers-only website: www.investorsadvisoryservice.com on the publication date (the fourth Friday of each month) shortly after the market closes, and an e-mail announcement is sent to subscribers when the issue is published on the website. Because e-mail messages do not always arrive in a timely fashion, do not depend on the e-mail to notify you the issue is available.

In addition to each monthly issue, we publish interim updates four times a year on the IAS website during months in which many companies report their latest quarterly results, as well special alerts when appropriate.

Make sure we have your e-mail address so that we can reach you with these announcements as well as send renewal notices for your subscription.

Quarterly Subscriber Webinar Conference Calls
Each quarter, the IAS editor and analysts conduct an interactive webinar conference call exclusively for subscribers. Subscribers may participate in the webinar via their personal computer, or may use their phone to listen in to the call. Attendees do not need a microphone in order to participate, and all attendees can ask questions using a text-based chat system.

Subscribers will receive their personal invitation to each quarterly webinar in advance of the session. Each conference call is recorded and available for viewing on demand following the live presentation.
In Each Issue
Each monthly issue of the Investor Advisory Service is packed with information aimed at helping you make smarter investing decisions about the stocks in your portfolio. From helping you gain perspective on the broader economic outlook, to identifying new stocks to consider, IAS will educate and inform you each month.

Investment Comments
The economy has an effect on corporate profits and hence stock prices. Each month’s Investment Comments are necessarily general in nature, but the column does review market and economic conditions with an eye on what has been happening recently and what the outlook may be for the future.

Portfolio management is not carried out in a vacuum. Interest rates and the general economy are important factors affecting stock prices. Each month, the Key Market Indicators section presents charts of short-term and long-term interest rates as well as the level of the Standard & Poor’s 500 Index.

Earnings Reports
The Recent Earnings Reports give the latest quarterly earnings per share and the percent changes tabulation for companies that have reported this information since the previous issue of IAS. This is an effort to keep you informed about the fundamental progress of the companies. Announced dividends and stock splits are also recorded here.

Portfolio Ranking Reports
All of the stocks (typically 75 to 80) currently being followed by IAS can be found on the ranking spreadsheet provided in the Service. The stocks are sorted by symbol in each issue.

In addition, an Excel spreadsheet can be downloaded from the IAS website for each issue that allows subscribers to sort all stocks by projected total return, current price/earnings ratio (P/E), dividend yield, projected EPS growth rates, sector, industry and many other fields.

Please note: The IAS publication schedule is fixed, so it is possible market prices will change between the time we go to press and when your copy arrives in your mailbox or appears online.
Sale Of Stocks
When situations warrant, stocks will be recommended for sale. Sell recommendations will be noted in this section, along with a brief rationale for the action. Companies recommended for sale are discontinued from the service, and are no longer covered by IAS analysts.

News of Companies
In the interest of keeping subscribers informed about stocks followed by IAS, News of Companies is intended to report pertinent information that reflects how the companies are doing, as well as what may affect the stocks’ performance.

The most obvious newsworthy item is the quarterly earnings report for each company in IAS. Percent changes in sales, pre-tax profits and earnings per share are important figures to the investor. We will comment on other financial and business developments as appropriate.

Stocks Recommended
The three stocks recommended each month are selected and analyzed using the Stock Study form created in the Toolkit 6 software program (available from ICLUBcentral at www.iclub.com).

The write-up that accompanies each stock study gives the reader a good perspective on what the company does as a business and how well it is managed. This offers some insights into the elements of judgment used in preparing the study.

The Investor Advisory Service is designed to help its subscribers learn more about investing. At the conclusion of each write-up, investor contact information is provided including the address, telephone number, and Web site address of the company so that you are able to contact it for annual and quarterly reports or to do your own research on the Internet.

The investment time horizon of our recommendations is five years (or more). If a stock meets our target of at least doubling in price in five years, the compound annual rate of return is 14.9% plus dividend income. It takes time for value to work out, hence the expectation to hold on for the longer term. We suggest patience to allow value to develop as outlined in our recommendation.

We tend to be contrarian at times. We try not to get caught up in what may be the latest investment fad. Frequently, we will recommend stocks not on the Wall Street institutional investors’ dance cards but which are likely to work out profitably over a five-year time frame.
Emailed Alerts

If major news about a company that IAS follows becomes known in the month between issues, we will send a brief update by e-mail to all subscribers to make you aware of this news in a timely manner. This information is also included in the next published edition.

Emailed Interim Updates

Four times a year, during "earnings seasons," we publish additional Interim Updates that are emailed to all subscribers. These updates include news of companies that has been reported since the last issue, and may include sell recommendations as well.

The goal of the Interim Update is to help subscribers keep up-to-date with the progress of the companies followed by IAS and to provide insights into the current thinking of our analysts regarding those companies. All information in the Interim Updates is included in the next published edition.

Committed to building wealth and managing risk for our clients by carefully following BetterInvesting methods since 1981.

Research based. Performance focused. Results driven.

Contact Dan Krstevski  ♦  800-449-6970  ♦  www.investprovident.com
The Stock Study

We find successfully investing in individual stocks depends on the right combination of two essential factors, neither of which can be neglected:

1. Investing in good businesses that show a consistent growth of sales and earnings
2. Buying stocks only at a reasonable price

This kind of logical investing is key to the long-term results of the classically successful investors like Warren Buffett, John Templeton, or Peter Lynch. This is our experience as well, and has enabled us to achieve results for our managed accounts that have significantly exceeded the stock market averages for many years.

The Stock Study form we use in IAS is a straightforward way to evaluate a company's standing on each of these factors.

**Section 1: Growth Analysis**

The front of the study presents a graphical picture of whether or not a company’s sales and profits have been growing over the past ten years. As you well know from every mutual fund advertisement, past performance is no guarantee of future results.

Still, unless something has changed, the best predictor of what to expect in the future is what has happened so far.

Earnings per share is the all-important factor that ultimately determines what a share of any stock is worth.

This is graphed on the Stock Study form by the line labeled “e” on the front of the graph.
The line labeled "P" for pre-tax profits should normally be pretty much in line with the earnings per share. If there is a significant difference between the two, it is a red flag indicating the difference should be investigated. For example, earnings per share could be growing faster than pre-tax profits because shares are being bought back.

The third line labeled "S" for company sales is just as important as the other two. The importance is that long-term earnings growth always depends on sales growth. In the short term, earnings can be boosted by cutting expenses (such as a merger), but expenses can't be cut forever.

If sales are not growing at the same rate as earnings, this is a matter to be investigated. On the bottom of the first page, the historical rate of sales and earnings growth is calculated and used as a starting point for future expectations.

Section 2: Quality Analysis

Quality Analysis shows key indicators that can help identify the quality of a company's management.

These metrics include the pre-tax profit margin (earnings before income taxes as a percent of sales), return on equity, and the debt-to-equity ratio. It is worthwhile to see whether year-to-year results are erratic or stable, and whether the trends are improving or deteriorating.
Section 3: Price/Earnings History

All the factors so far have been focused on the first essential issue: does this seem to be a growing business? We look at the history of the price of the stock as a way of getting a reading on whether the present price is likely to be reasonable.

The most significant item here is the price/earnings ratio (P/E). The current P/E is calculated on the basis of the last historical four quarters, and the projected P/E is based on an estimate of the earnings to be achieved in the next four quarters. If the present P/E is higher than what the P/E has historically been over the last five years, it is a sign that investors may be overpaying for the stock and it is unlikely that this is going to be a good time to buy this stock.

Section 4: Evaluating Reward and Risk

Section 4 presents a calculation of an estimate of what price the stock might reasonably be expected to reach if earnings growth occurs as projected and the projected high price/earnings ratio is achieved. The possible high price is compared with a possible low price based on the company’s historical low P/E, or the stock’s recent market low.

The possible share price gain should be at least three times the risk of share price decline in order to give the investor a margin of security.
Section 5: Total Return Analysis

The remainder of the Stock Study refers to calculating the potential return on the stock. The most important expression of the potential return is the “% Compound Annual Total Return” found on the lower right-hand corner of the page.

Conclusions

The Stock Study form we use may seem a bit overwhelming at first glance because of the sheer quantity of numbers and the labels, many of which may not be familiar. However, a careful study of the Stock Study will show the elements to be straightforward and will result in the investor having a much more in-depth grasp of a potential investment.

It is important to recognize that investing in stocks is not a simple off-hand kind of process. Careful consideration of the Stock Study will help an individual conclude whether to study investments on his own or whether to have a professional money manager, such as Provident Investment, take care of his or her stock investing.
More Tools for Stock Analysis

The Stock Study forms published in IAS are created with the Toolkit 6 software program, which is published by ICLUBcentral Inc. First launched in 1991, the Toolkit software line uses a time-tested investing approach that can be used by any individual to build a portfolio of stocks.

If you wish to carry out your own analysis of stocks presented in IAS, or if you would like to analyze other companies using the same methodology, you can purchase a copy of Toolkit 6 by contacting ICLUBcentral at 1-877-33-ICLUB, or by visiting www.iclub.com/tk6/

A free demonstration version of the program is available for download.
The Ranking Report

Every issue of the *Investor Advisory Service* includes a ranking report to help investors compare the current status of stocks that have been recommended in the past and are currently being tracked by our analysts. Occasionally, you may see these reports referred to as the “Company Sort Reports” or "Portfolio Sort Reports."

The ranking report is sorted by ticker symbol in the print and PDF editions of the newsletter, and an Excel spreadsheet is provided on the website with each issue that provides additional data and sorting capabilities. The spreadsheet includes all of the data in the print edition report as well as each company's sector, industry, and website.

The data in these reports is typically updated when companies release new quarterly or annual results, or when major events warrant an adjustment.

The following is an explanation of the data contained in each column.

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Each company is assigned a quality ranking from 1 to 5, with 1 being the most favorable. These rankings are subjective and determined by the judgment of our analysts.</td>
</tr>
<tr>
<td>B</td>
<td>The <strong>Symbol</strong> is the ticker symbol associated with the company's stock.</td>
</tr>
<tr>
<td>C</td>
<td>The <strong>Company Name</strong> is the name of the company.</td>
</tr>
<tr>
<td>D</td>
<td>The <strong>Date</strong> on which the report was prepared.</td>
</tr>
<tr>
<td>E</td>
<td><strong>Price</strong> reflects the closing price of the stock as of the date of the report.</td>
</tr>
<tr>
<td>F</td>
<td><strong>Dividend</strong> is the current annualized dividend rate in dollars.</td>
</tr>
<tr>
<td>G</td>
<td>Dividing the dividend rate by the price provides the <strong>% Yield</strong>.</td>
</tr>
</tbody>
</table>
**H** 

**Est. EPS** is the earnings per share estimate approximately twelve months into the future. For example, a report generated late in the year will use an earnings forecast for the following year. Estimates are regularly updated based on each company’s financial reporting, as well as other individual adjustments that are made as necessary.

**I**

The **Total Return** column is the potential return if the stock is bought at the indicated price, achieves the projected growth and sells at its high P/E ratio in five years. The total return figure includes dividends over the next five years. *As investors we aim for above-average total returns, so this may be the most important column. Keep in mind that aiming for the highest returns usually means taking on more risk.*

**J**

The key driving factor behind expected stock price appreciation is earnings growth, or % **Growth** on the spreadsheet. We outline the rationale for our earnings growth projections in the write-up that accompanies each stock recommendation.

**K**

Another factor that drives stock prices is valuation or P/E ratio. We calculate the **Current P/E** by dividing the most recent stock price by the earnings per share estimate (**Est. EPS**) approximately twelve months into the future.

**L**

Relative value, or **RV**, is the current P/E compared with our judgment of the average P/E in the past. A relative value less than 100% suggests the stock is trading at a lower P/E than in the past. This means the stock is cheaper than its historical average and can present a profit opportunity if it returns to its typical higher P/E ratio.

**M**

The **Buy Up To** price for a stock is a price at which the relative value is 100% or less and the reward/risk ratio is at least 3 to 1. When a stock is at or below the buy price, it has a favorable risk/reward characteristic. Changes to the estimated EPS and other factors can affect this price.

**N**

If the current price is less than the buy price, a “B” appears in the **Buy** column. (See note below for more on this indicator.)

**O**

The **Overvalued At** price is a price at which the reward/risk ratio is 1 to 1, meaning the potential gain is no greater than the risk, or when the current P/E ratio has reached the high for that given stock.

**P**

In order to be considered a “buy,” a stock must have a reward/risk ratio (**Rwd/Risk Ratio**), of at least 3 to 1. This means the potential gain over the next five years is at least three times our estimated risk of loss. This provides a margin of security for shareholders. (This metric is sometimes known as the up-side/down-side ratio.)

**Q**

The column **P/E as % growth** (or PEG ratio) compares the P/E to the expected earnings growth. A PEG ratio of 100 or less is considered extremely favorable. Keep in mind, more-consistent, higher-quality companies tend to trade at higher PEG ratios, while less-consistent companies may trade at lower PEG ratios. One should be wary of stocks sporting very low PEG ratios as it may suggest problems ahead. High PEG ratios suggest an investor is “paying up” for growth.
The **Market Cap** column indicates the size of a company: “L” for large-cap stocks, those with capitalization $10 billion or greater. Small caps (“S”) are those whose capitalization is under $2 billion. Those between $2 billion and $10 billion are considered “Mid caps” (“M”).

The last column is **Date Rec.**, which is the month and year of the specific **IAS** issue when the stock was most recently recommended for purchase. In many cases, a stock may have been recommended previously, but this date only reflects the most recent published analysis.

The Excel spreadsheet of this table that is published on the **IAS** website with each issue also includes the **Sector**, **Industry**, and **Website** of each company. The **Sector** and **Industry** generally follow the classifications of Morningstar, the current source of data used by BetterInvesting and ICLUBcentral in their stock analysis tools.

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**About Buy Prices and the “B” Indicator**

The presence of a “B” in the buy column does not automatically mean a stock is a buy.

It is important to always read our most recent comments about a given stock in the **News of Companies** commentary in an issue of the **Investor Advisory Service**. In the **News** section, we will discuss our recent assessment of a company, and we may provide some guidance as to whether or not we still consider the stock a buy, or whether we might recommend that profits (if any) be taken.

There are circumstances when the buy signal can be misleading. Under these circumstances, our recommendations in the **News** section should be given more weight than the mathematical calculations driving the **buy up to** and **overvalued at** prices on the spreadsheets.

Always consider the spreadsheet as a screening tool which requires more in-depth analysis in order to form a judgment.
Using the IAS Web Site

The Investor Advisory Service is available in two formats: a printed edition, which is mailed to subscribers each month, and an online edition, which may be viewed on or printed from the IAS Web site. The content of the newsletter is identical. But the online version does include several additional features that you may find valuable.

Setting Up Your User Name and Password

The IAS Web site can be found at:

www.investoradvisoryservice.com

You must be a current subscriber in order to access the Web site, which includes both the current issue as well as archives going back to 2002.

If you have subscribed to IAS and are logging on to IAS online for the very first time, you must first set up your username and password. You must use the e-mail address that was used during your most recent subscription or renewal. Click the link that allows you to “set up your new username and password” and follow the prompts.

Make sure to note your user name and password; you will need these to access the Web site as future issues are published.

Navigating the Web Site

Once you have successfully logged in to the IAS website, you can read the current issue; browse the archives of past issues, interim updates, and alerts; or manage your account.

The My Account link allows you to manage your mailing address; IAS username, password, and security question; and see details about other subscriptions and products purchased from ICLUBcentral Inc, the publisher of IAS. Your current expiration date is displayed here, as well.

When you have finished using the website, be sure to click Logout.
The upper-right corner of the screen displays the expiration date of your subscription, along with a link to renew. Both online and print subscribers will receive a mailed renewal notice prior to their expiration date, or this information can be reviewed online.

**Reviewing an Issue**

To read an issue, update, or alert click the publication date in the “Subscribers Only” section.
The default view when opening a new issue online is **Investment Comments**. The menu on the right side of the page provides options to navigate to additional sections and features.

There are separate types of documents and files available from the issue menu. An **HTML** file is simply a Web page you can view in your browser. These pages only provide the text of various sections, and some sections are not available in the HTML format.

Another of these is the Adobe Acrobat Portable Document Format, or **PDF**. These files replicate the look and feel of the actual printed issue, including all fonts, colors, and graphics. Click on the **Complete Issue** link to display or print the entire **IAS** issue.

*Note: The free Adobe Acrobat Reader program is required to open a PDF file; most computers already have this program installed. If necessary, you can download and install the Reader program from [www.adobe.com](http://www.adobe.com).*

The **Portfolio Sort Report** is also provided in a Microsoft Excel spreadsheet, signified by the **XLS** link. This file provides the ranking reports data in a single spreadsheet. From there, subscribers can sort, search, or add additional information to augment their own analyses.

*Note: You must have Microsoft Excel (or a program that can read Excel worksheets) to view this file.*

Finally, each recommended company provides a *SSG* datafile, noted by the **SSG** link.
How to Use the SSG Datafiles

A *.SSG file is a special computer file for use in the stock analysis software program **Toolkit 6** made by ICLUBcentral Inc. You can learn more about this Windows software program at:

www.iclub.com/tk6/

Subscribers who own one of these programs can download the *.SSG file from the **IAS** website and import it into their software. They can then make adjustments and projections to the various estimates and expectations for the company's performance. The stock studies can then be saved in the software program, or entered into a portfolio.

If you do not own a program that can read a *.SSG file, then your browser may provide an error when you click this link, or Windows may not know how to open it once you have saved it to your computer. SSG files are provided as a courtesy for those subscribers who use these programs and wish to delve deeper into the analyses of particular stocks.
The IAS Performance Record

The Hulbert Financial Digest, which is generally accepted as the canonical source of information on investing newsletters, has tracked the Investor Advisory Service since Dec. 31, 1995.

In 2016, Hulbert named the IAS to its 2016 Investment Newsletter Honor Roll, for the seventh consecutive year, one of just 12 equity and fund newsletters that have proven track records of performing better than the overall market in both up and down markets. Of the fund and equity newsletters named to the 2016 Honor Roll, IAS posted the second-best performance in "Annualized Gain of Domestic Equity Portfolios" since March 31, 2000.

Excellence During Difficult Markets

The following graphic displays the total return earned by IAS, compared with the Wilshire 5000 Total Stock Market Index, for the period from March 31, 2000, to November 30, 2015.

According to the Hulbert Financial Digest, an investor following the Investor Advisory Service's picks could have earned an annual 10.4% total return during the period from March 31, 2000, through November 30, 2015, outperforming the Wilshire 5000 Total Stock Market Index return by more than two times during the same timeframe.

With an annualized total return that’s twice the returns of the Wilshire 5000 index, the IAS is certainly one of the best-kept secrets among all financial newsletters. Even during turbulent markets, the expertise of the IAS analysts can make a difference in your portfolio performance.
Frequently Asked Questions

Q. How do you determine the quality rating of companies?

A. The IAS quality ratings are subjective. Ratings are numerical values where 1 is the highest and 5 is the worst. The rating can be found in the QUAL column.

Q. Why are the buy and sell prices of stocks on the company sort pages different from the prices when the company was originally recommended, or from the price on the Stock Study?

A. We re-evaluate each stock monthly and determine new “Buy Up to” and “Overvalued at” prices based on those analyses.

In addition, the spreadsheets calculate a five-year potential high price differently from the Stock Study. It uses the analysts’ estimated earnings for the next twelve months, and then calculates the EPS results after four years at the indicated growth rate. The objective is to reach a more accurate EPS figure on which to base the projected high price.

Q. When a “B” appears in the buy column on the company sort pages, should I automatically buy that stock? Likewise, if the stock is above the “overvalued at” price, does that mean selling is recommended?

A. The spreadsheet does not contain recommendations to buy and sell. The recommendations to buy are contained in the three monthly recommendations. The infrequently rendered sell recommendations are published in the News of Companies section under the Sale of Stocks heading.

The spreadsheet sort pages are designed as mathematical renditions of the Stock Study for purposes of screening and are meant to bring attention to undervalued, fairly valued, and over valued stocks. Just because a “B” is listed, it does not mean a person should buy the stock. It merely means the math suggests an investigation. Further research will determine the final buy or sell judgment. If a stock is above its “overvalued at” price, it means the stock is over priced and further investigation, along with use of your best judgment, should be made.

Comments in the News of Companies section will give further insight into our thinking.
Q. How do you use Wall Street analyst earnings estimates in making your recommendation?

A. Using the Stock Study form, we apply our own judgement to determine a long-term earnings per share growth rate. We do incorporate the EPS estimates of analysts in our own research, however, particularly in the spreadsheet sort in each issue, to determine the potential high price of a stock in five years.

Q. What is the Stock Selection Guide?

A. The Stock Selection Guide is a tool developed by BetterInvesting for analyzing growth stocks. IAS’s investment approach is grounded in the Stock Selection Guide methodology, and every buy recommendation made by IAS is based on conclusions reached with the aid of the greatly enhanced version of this form, which is used in the Toolkit 6 software.

For more on the Stock Selection Guide, please see Doug Gerlach’s tutorial on the ICLUBcentral website at:

www.iclub.com/clubs/

In addition, ICLUBcentral has developed several software programs that employ a similar methodology, including Toolkit 6 (the program used to generate the Stock Studies in each issue of the IAS). The online version of IAS includes datafiles of the stock studies for each issue that can be downloaded in *.SSG format and imported directly into Toolkit 6. Once imported, subscribers can view the results in greater detail or adjust the judgement in a particular stock study.

For more information on these software programs, to download demonstration versions or to order, please visit:

www.iclub.com/products/

Q. Some of the judgement values used in your analyses (such as projected EPS growth rates and P/E ratios) seem to be much higher than guidelines I’ve learned from BetterInvesting. Why?

A. The Stock Selection Guide is very valuable for those who seek to learn about investing to help provide for their future financial security. There are various levels of understanding of these tools among new or experienced investors.
The authors of IAS are all very experienced professional security analysts who have earned the designation of Chartered Financial Analyst, or CFA®. We employ this experience to produce IAS. We do not restrict ourselves to methods and techniques that are more suitable for those who are still in the learning process. We attempt to provide the best advice of which we are capable. As such, from time to time, we may stray from what BetterInvesting might seek to teach the less experienced investor.

This is not meant to denigrate BetterInvesting methods, as everyone must start the learning process somewhere. The record of those who learn and use the Stock Selection Guide is excellent. IAS incorporates advanced analysis techniques to supplement these principles.

Q. Do print and online subscribers receive different information?
A. The online version of IAS contains exactly the same content as the printed version. Print subscribers may also read the online version on the publication date, so all subscribers can have access to each issue at the same time.

The online edition does include some additional features, such as a downloadable Excel spreadsheet of the company ranking tables and Stock Study datafiles that can be imported into ICLUB-central’s stock analysis software. Archives of issues going back to 2002 are also available on the website.

All subscribers receive occasional e-mail alerts and updates between monthly issues that are generated by the IAS staff. These are published and archived on the IAS website as well. Print subscribers should contact Customer Support to ensure their e-mail address is on file. This will ensure delivery of various e-mail alerts about IAS.

Q. How do I access the IAS Web site?
A. Both print and online subscribers can access the current issue, as well as archived issues dating from 2002 forward on the IAS Web site:

www.investoradvisoryservice.com
Subscribers must first establish a user name and password to access the IAS Web site. New subscribers who have provided a valid e-mail address can create a user name and password by following the instructions on the site.

If you need further assistance in establishing your credentials for accessing IAS online, please contact us by telephone at 1-877-334-2582 or by using the Contact Us form on the IAS website:

www.investoradvisoryservice.com/support-ticket.aspx

Please Take Note

Information presented in each issue of the Investor Advisory Service has been obtained from sources believed to be reliable, but the accuracy and completeness of summaries, conclusions and opinions based on this information are not guaranteed.

It should never be assumed that recommendations will be profitable, or will equal the past performance of listed or recommended securities.

IAS uses some of the investing methodologies of BetterInvesting, a national non-profit organization dedicated to investor education. BetterInvesting assumes no liability or obligations with respect to the investment education information or other content presented herein.
We Welcome Your Comments

While your Investor Advisory Service subscription does not include personalized portfolio management assistance, we will try to help you understand the process of investing as best we can. We often include commonly asked questions in the Subscriber Feedback section of monthly issues.

Feedback in the form of bouquets or criticism is also appreciated. The latter keeps us on our toes; the former makes it all worthwhile. We are always looking for ideas and ways to serve the majority of our subscribers.

If you occasionally seek a short answer to a question about the Investor Advisory Service, please go to:

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If You Require Further Investing Assistance

If you would like to discuss engaging the services of an investment counselor, Provident Investment, the money management firm that provides the stock research for the Investor Advisory Service, can help manage your portfolio using the same principles it uses in IAS.

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