OVERVIEW

The Value Line Select: Dividend Income & Growth service is one of the premier equity-focused publications for private investors available from Value Line. Published monthly, it is designed to help investors build and manage a well-diversified portfolio of quality stocks that are expected to provide above-average current income and appealing long-term dividend growth prospects. Every recommendation is hand-picked by the Value Line Research Department. Each month, regardless of the market climate, we provide a comprehensive, 20–25 page report that includes our Featured stock selection, and usually an alternative equity as well. The report includes:

- A detailed discussion of economic developments at home and abroad, and their impact on the stock market
- A statistical overview of each highlighted company’s past and current performance, prospects, and other key data.
- A focused look at the recommended companies, their competitive advantages, as well as the catalysts and opportunities that should drive their businesses.
- Detailed, in-depth data on products and services, business strategies, and organizational structures.
- An in-depth evaluation of the corporations’ finances, a review of earnings, and a discussion of factors unique to each company and industry. We also provide charts, graphs, a record of historical dividend payments, and detailed projections of future dividend levels.
- Tables updating our subscribers on the current holdings of Featured and Alternative stocks — with our bottom line Buy, Hold, or Sell recommendations.
- A final conclusion clearly explaining why we’ve selected the stocks for your consideration.

Recommended stocks are added to the Value Line Select: Dividend Income & Growth portfolio listings. Our featured monthly choices are listed under Featured listings. Our other highlighted stocks are shown separately.

SELECTION PROCESS

Each month, the Value Line Research Department, which consists of more than 70 analysts, economists and quantitative finance specialists, evaluates the prospects of all approximately 1,700 equities that are tracked by The Value Line Investment Survey®. Using a wide variety of criteria, including the Value Line proprietary, time-tested Ranks and Ratings, financial estimates and projections, and analyst expectations, Value Line decides on stocks that appear to possess the best income and business prospects, and recommends them for purchase. The following variables are generally taken into account in the selection process (for definitions and more
information in regard to the terms below, please consult the Investment Education section on www.valueline.com):

• Historical dividend policy
• Current dividend yield
• Projected annual dividend growth
• Timeliness™ Rank*
• Safety™ Rank**
• 18-Month Target Price Range †
• Company has a successful management record
• Company has a significant and firm position in its industry
• Company has a history of healthy top- and bottom-line gains and steady cash flows
• Stock appears undervalued or appropriately priced based on a number of valuation criteria, including P/E Ratio, Book Value, among other valuation metrics
• Analyst estimates point to growing revenues and profits supporting a growing dividend
• Cash flow expectations are able to easily fund operations and the dividend

**REGULAR UPDATES**

Each new selection for Value Line Select: Dividend Income & Growth is continuously monitored. At least once per quarter, the editor creates a Supplementary Report on each holding, informing our subscribers on what is going on with the company, its stock, and what it means to our subscribers. An updated buy or hold recommendation is also included in each Supplementary Report. These updates are available exclusively to subscribers on our website, www.valueline.com, for 90 days after being published.

**SELL NOTIFICATIONS**

After recommending a stock, we don’t “leave you on your own.” Value Line will alert you as soon as we decide to recommend that our subscribers sell a particular holding. Our reasons for selling a stock can vary widely: from an issue that has performed very well where we think that taking profits is prudent, to a stock that has jumped in price because of industry-related or company-specific news. We may recommend selling a stock if a company’s dividend policy changes (e.g., management mentioning that the annual payout will grow at a slower rate than what was previously expected or not at all). We keep the number of issues small enough that you might elect to own all of them and follow our buys and sells monthly.

Admittedly, not all of our recommendations will work out and, once in a while, we may tell our readers to cut their losses. When we recommend the sale of a particular stock, our subscribers will immediately receive a phone or email message (customer choice) detailing the reasons behind our view. The sell notification will signify our final review of that stock. We suggest you then move proceeds to another “Buy” selection. We apply our decades of experience to help you build your income.

**PRODUCT ACCESS**

Value Line Select: Dividend Income & Growth is available via print and online at our password-protected website. Print customers enjoy free online access to Value Line Select: Dividend Income & Growth as well.

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*The Value Line Timeliness Rank measures predicted relative price performance of the approximately 1,700 stocks that are included in The Value Line Investment Survey during the next six to 12 months on an easy-to-understand scale from 1 (Highest) to 5 (Lowest). Components of the Timeliness Rank include such items as the trend of relative earnings and prices, and earnings surprises. All data are actual and known.

** Each stock in The Value Line Investment Survey is assigned a Safety Rank, which measures the total risk of a stock relative to the approximately 1,700 other stocks. It is derived from an equity’s Price Stability score and the company’s Financial Strength grade. Like Timeliness, Safety Ranks are also given on a scale from 1 (Safest) to 5 (Riskiest).

†The 18-Month Target Price Range is a unique, quantitative estimate. It seeks to predict a stock’s price over an 18-month horizon in terms of a range.