

Using the newsletter

The *Forecasts* attracts new subscribers all the time, and they tend to ask similar questions. With apologies to long-timers, this week we're going to answer five basic questions — who, what, when, where, and why — that improve newbies' understanding of the product they've purchased.

Come to think of it, plenty of veteran subscribers could benefit from these answers, so read on.

Q *Who's picking the stocks and writing the newsletter?*

A Our research staff of five has a combined 99 years' experience at Horizon Publishing, which publishes the *Forecasts*. Our CEO, Charles Carlson, has written for the *Forecasts* for 33 years. Your editor and director of research, Richard Moroney, has done the same for 26 years. Managing editor Robert Sweet has been on the job for 15 years, compared to 18 years for analyst David Wright and seven years for analyst David Walle.

Moroney has final say on recommendations, but all five of us:

- Have earned the Chartered Financial Analyst (CFA) designation.
- Analyze existing recommendations and search for new buy candidates.
- Write stories about investments.

Q *What's your secret?*

A It's not really a secret, but we've been using the proprietary Quadrix® stock-rating system as the first step in our analysis process since 2000. Quadrix, developed by Richard Moroney, uses nearly 100 individual statistics in six categories to assign percentile ranks to roughly 5,000 U.S.-traded stocks.

Over the last 61 quarters, a portfolio of the top one-fifth of stocks as measured by Overall score would have gained 589%, while the lowest scorers would have lost 30%.

Of course, few people can buy and sell hundreds of stocks every quarter. We use Quadrix to sift away most stocks, leaving us to consider only those with the strongest fundamentals. Then we dig into each individual company, considering such factors as valuation, growth potential, market position, operating efficiency, new products, and a host of others.

Since the start of 2003, our Focus List has returned 220%, versus 118% for the S&P 500 Index. According to the independent *Hulbert Financial Digest*, all of our recommended equity portfolios — the Focus List, Buy List, Long-Term Buy List, and Top 15 Utilities — have outperformed the stock market since their inception through June 30, 2015.

Q *When do you publish?*

A The *Forecasts* has been published weekly since 1946. Each issue is dated for a Monday, but you can download an electronic copy from www.DowTheory.com after the market closes on the previous Wednesday.

Also, we publish news or commentary in the Subscriber Area of our website every day the stock market is open.

Included in those online features are twice-weekly hotlines, one Wednesday and the other Friday. Both hotline editions may include rank changes, but we make most changes in the Wednesday hotlines, which show the same rank changes as the Wednesday newsletter. You can access these hotlines by phone using a passcode printed on page 7 of your newsletter, but e-mail is faster. To receive the hotlines electronically, call our customer-service department at (800) 233-5922.

Q *Where can I go for more information about a stock? And where can I find back issues, research tools, and your buy lists' performance?*

A We bundled these “where” questions because they all have the same answer — our website at www.DowTheory.com.

Login to the Subscriber Area using your account number (printed on the envelope containing your issue) and start exploring. You'll find research resources, investment-planning tools, and links to information about our recommended stocks and mutual funds. Here you'll also find the daily features mentioned in the “when” question.

Q *Why do I need a newsletter like the Forecasts?*

A We hear that question a lot, because in the information age, an investor with a computer can pull up thousands of words and numbers relating to just about any company. That mass of media is part of the problem.

The poet T.S. Eliot, who died 15 years before **IBM** (*IBM*) sold its first personal computer, saw the issue before the rest of us when he asked, “Where is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?”

These days, individuals have way more information than they can handle, most of little value. We bring to bear the wisdom and knowledge that only come from long experience, focusing on the data points and trends that matter and, even more importantly, ignoring the other stuff.