

Your Guide to Buying Stocks Without a Broker

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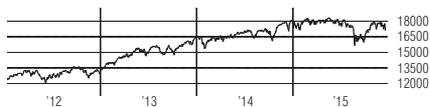
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MARKET SNAPSHOT

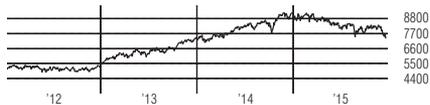
Market volatility has escalated in recent trading. In order for the overall market to sustain a move to the upside, it will require better price action from the economically-sensitive transportation stocks.

DOW JONES AVERAGES

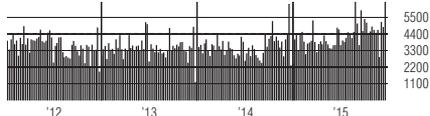
INDUSTRIALS



TRANSPORTS



VOLUME (Millions)



from a DRIP perspective

Market Outlook For 2016

Entering 2016, there seems to be a lot for investors to fear. Interest rates are headed higher for the first time in nearly a decade. Corporate profits and revenue growth have been sluggish. Terrorist activity seems to occur daily. Saber-rattling around the globe — Turkey versus Russia versus U.S. versus Syria, you name the region, there’s strife — is heightening fears of perhaps World War III. Commodity prices are plunging, and with them the economic fortunes of many countries, especially those in emerging markets.

It is a scary time to be an investor.

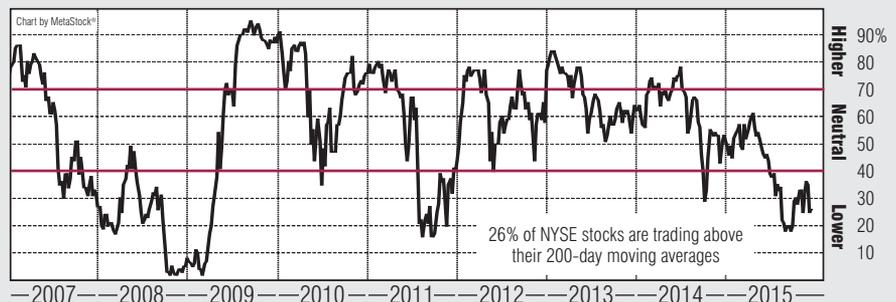
But I’ve been following the markets for well over three decades, and I can’t remember a time when it hasn’t been a bit scary to be an investor. There are *always* things that aren’t right in the world or the markets. There are always reasons to be bearish. And yet, despite those reasons, stocks on average have risen nearly three out of every four

years since 1926.

Will 2016 be one of those up years? Despite the litany of doom I just laid out, I think reasons exist to be positive on stocks. One of them is that a lot of the speculative fervor that you see prior to major market tops has been bled out of the market. Indeed, I would be hard-pressed to describe the typical investor — individual or professional — as ebullient on stocks as we head into a new year. This rather subdued investor sentiment is reflected in what long-time readers know is my favorite tool for assessing the popularity of stocks — the Intermediate Potential Risk Indicator. This indicator looks at the percentage of stocks on the New York Stock Exchange that are trading above their 200-day moving average. I like a stock’s 200-day moving average as a reasonable proxy for a stock’s equilibrium price range. Thus, if you have a high percentage of stocks trading above their equilibrium price range,

Continued on page 8

Intermediate Potential Risk



Two Dow “Underdogs” Ready To Rebound In 2016

Many of you are familiar with my “worst-to-first” strategy of investing in Dow Jones Industrial stocks. The investment concept was the subject of one of my books, *Winning with the Dow’s Losers*. In a nutshell, the strategy says that the Dow’s worst performers in one year tend to bounce back nicely the following year. While the strategy is not perfect — no investment strategy wins 100% of the time — it has a fairly good track record. It did especially well in 2015 when I spotlighted Dow component **McDonald’s** (\$117; *MCD*) as a top rebound pick in 2015 (see January 2015 issue of *DRIP Investor*). McDonald’s was coming off a bad year and was overdue for a bounce. The stock more than bounced this year, as shares of the Golden Arches are up more than 24% over the last 12 months.

To play the strategy in 2016, two Dow underdogs worth considering are **IBM** (\$135; *IBM*) and **Wal-Mart Stores** (\$59; *WMT*).

IBM is coming off two bad years, so the stock is very much overdue for a rebound. When I look at IBM, I see a lot of similarities with McDonald’s a year ago:

► *The likelihood of activist investors entering the picture.* Sustained under performance usually brings out activists, and there have been rumors that activists are either in the stock or starting to circle these shares.

► *Possible management change.* When I chose McDonald’s last year, I wrote that “I would be surprised if the current CEO makes it through another year.” He didn’t. Regime change at companies is often a positive catalyst for the stock, which was the case with McDonald’s. I believe the current CEO at IBM, Ginni Rometty, will be under intense pressure in 2016 to turn things around. However, I would be surprised if she makes it through the year.

► *Hefty yield.* Like McDonald’s, which was yielding nearly 4% at the end of 2014, IBM shares currently yield nearly 4%. I suspect that yield will help provide a bit of support to these shares at these levels as well as draw some interest from cash-flow investors.

To be sure, I’m not necessarily a big fan of IBM’s long-term prospects. But I do think these shares can beat the market over the next 12 months. Please note IBM offers a direct-purchase plan whereby investors may buy the first share and every share directly from the company. Minimum initial investment is \$500, but the firm will waive the minimum if an investor agrees to automatic monthly debit of at least \$50 for 10 months.

Wal-Mart has been the Dow’s worst performer over the last 12 months, falling 30%. Sluggish sales, slumping profits, rising labor costs, and increased competition for retail dollars from online retailers have hindered the company. Are any of these things likely to change in 2016? Probably not. But given the stock’s decline and the utter lack of interest in these shares, the bar has been set very low for the company. Said differently, Wal-Mart is set up to beat the very low expectations investors now have, and that is the sort of thing that can help jump-start a beaten-down stock. The yield of 3.3% provides some compensation while waiting for the shares to rebound, and the dividend is well covered by profits. Again, I’m not a big long-term bull on Wal-Mart, and I’m not sure if Wal-Mart can pull a “worst to first” in 2016. But I am confident that these shares will beat the market over the next 12 months. Wal-Mart has a direct-purchase plan. Minimum initial investment is \$250, but the firm will waive the minimum if an investor agrees to automatic monthly investment of at least \$25 for 10 months.

CVS Ups Guidance and Dividend

CVS (\$95; *CVS*) recently provided investors with a healthy dose of bullish news. The drugstore and pharmacy-benefits-management (PBM) company upped its earnings guidance for 2016. CVS lifted the low end of its preliminary earnings range \$0.05 to \$5.73 to \$5.88, up 11%-15% year over year. The company also boosted its dividend 21% to an annual rate of \$1.70 and expects to complete approximately \$4 billion in share repurchases in the year. CVS is going into 2016 with nice momentum. The firm experienced a strong 2016 selling season for the PBM business, with \$11.5 billion in net new business and a client retention rate of 98%. The firm also has completed its acquisition of Target’s pharmacies and retail clinics. CVS stock popped more than 5% on the news, though these shares are still down 16% from their 52-week high of more than \$113 per share. Wall Street has been tough on health-care stocks in recent months. Still, CVS is not just another health-care stock. There will be hiccups in the health-care sector as a result of Obamacare and its impact on a host of markets and sectors. Nevertheless, the one sure thing is that prescription utilization will continue to grow as a result of aging demographics and a higher incidence of chronic diseases, and that’s a plus for CVS’s drugstores. And there will continue to be a need to control health-care costs, which is a plus for the firm’s PBM business. The upshot is that few companies are as uniquely positioned as CVS to prosper in the health-care markets of today and tomorrow. Buy the stock and increase your position on any price setbacks. CVS has a direct-purchase plan whereby any investor may buy the first share and every share of stock directly from the company. Minimum initial investment is just \$100.

Q Now that the Fed has raised interest rates, should I be selling my utility stocks?

A Remember that the market is a discounting machine. There has never been a more telegraphed increase in interest rates than the one we just saw. The bottom line is that the market has had plenty of time to discount the rate increase, which is partly why utility stocks as a group have already been beaten down a bit. The bigger issue for utility stocks is not the latest rate hike but the pace of future hikes. I still believe the Fed will move in a fairly deliberate fashion when it comes to hiking rates, which is good news for utility stocks. To be sure, interest rates are only one factor that can impact the utility sector, so it is possible that select utility stocks could remain weak in 2016 due to factors other than interest rates, such as weak profits. Still, I would feel comfortable owning utilities in 2016 and would not be dumping them merely because the Fed has increased rates. Attractive utilities include **NextEra Energy** (\$102; *NEE*), **Atmos Energy** (\$63; *ATO*), and **Scana** (\$61; *SCG*). Atmos Energy and Scana offer direct-purchase plans whereby any investor may buy the first share and every share directly. NextEra Energy has a traditional DRIP that requires ownership of one share in order to enroll in the plan.

Q How will I know it's time to start buying the beaten-down oil stocks?

A Whenever you are bottom-fishing in a sector that has been badly roughed up, it is best to do the following:

1) *Be patient.* The tendency for many investors is to rush in whenever they see a significant drop in a sector. However, history shows that stocks can get way oversold, especially in certain sectors like energy and other commodities. Don't worry so much about buying the stock at the exact bottom — you are unlikely to do so. Rather, focus more on making sure that the selling has been wrung out of a stock. A true turnaround stock will still make you a lot of money even if you buy it well off the bottom.

2) *Watch what the insiders are doing.* Corporate insiders — executives and major shareholders — don't



always get it right when buying or selling their own company stock. Still, I usually feel better when bottom-fishing when executives are buying alongside me. To track insider buying, check out *Barron's* publication, which provides insider buying and selling information each week. Also, there are a number of places online that provide insider activity, including Yahoo's Finance site — finance.yahoo.com.

3) *Has the stock stopped falling?* I know this sounds a bit nonsensical, but it actually makes perfect sense. There's an old saying on Wall Street

that investors should “never try to catch a falling knife.” When I slum in depressed stocks, I am much more interested if the stock has mapped out a sideways trading pattern for at least several weeks if not months before buying. By waiting for the stock to demonstrate better relative price performance, you will miss buying at the bottom. But buying at the bottom should not be your first priority; buying with some comfort that the worst has passed is more important.

4) *If you want the biggest bounce, buy the most speculative stocks in the depressed group.* The stocks that typically have the biggest snap-backs are usually those that are the most speculative stocks in the group and the ones that have been beaten up the most. Now, you ramp up your risk when you focus on the most speculative stocks — some of them may not survive. Thus, it is important to make sure you limit your portfolio exposure to such bottom-fishing and try to diversify across a few stocks.

If you plan to buy and hold the stock, turn your attention more toward the blue chips in the group. In the energy sector, I like **Exxon Mobil** (\$77; *XOM*), which offers the best combination of stability, dividend safety, and reasonable appreciation potential. For more aggressive plays, **ConocoPhillips** (\$46; *COP*) and **Chevron** (\$90; *CVX*) have appeal.

DRIP Investor welcomes your questions and comments. Address them to “Charles Carlson, *DRIP Investor*, 7412 Calumet Ave., Hammond, IN 46324-2692.” You may also E-mail questions or comments to ccarlson@horizonpublishing.com

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Better Than Bonds

With the Federal Reserve recently raising interest rates for the first time since 2006, a lot of attention is being focused on the bond market. Rising interest rates negatively impact bond values, especially long-term bonds, so there is the belief that bond returns will be fairly subdued going forward. To be sure, the jury is still out as to whether the recent rate increase will spawn many more increases; it's not out of the question that rates may not rise as much as bond bears believe. Still, when you consider that interest rates, which have been pretty much on a downward slope for 35 years (see the chart below), appear to have hit an inflection point, it is tough to get too excited about bonds going forward.

If the bond market stands to be a more challenging place for generating returns, does that follow that investors will be selling bonds *en masse* and moving into dividend-paying stocks? Some folks on Wall Street believe that's precisely what will happen, that you will see a huge liquidation of bonds and massive buying of stocks, driving the stock market much higher. I'm not so sure. While returns on bonds could be under pressure going forward,

bonds will still retain appeal as a risk-reduction agent for diversified portfolios. Said differently, in a really bad year in the bond market, bonds decline 10%. In a really bad year in the stock market, stocks decline 30%. As long as there are risk-averse investors, bonds will remain an important asset class.

Still, given what will likely be a more muted bond market going forward, and given the opportunities in dividend-paying stocks, it is possible that investors with long-term time horizons could begin substituting some of their bond investments with a portfolio of "bond-like" stocks.

For example, let's say you buy individual corporate bonds because you like the yields and the surety of getting your money back when the bond matures (assuming, of course, no defaults). Could you achieve a similar if not better result by buying and holding a basket of bond-like stocks? I know that stocks have a slightly higher probability of losing money in a given year versus long-term corporate bonds. But the risk of losing money in stocks declines as holding periods lengthen, which means the difference in risk between holding a basket of stocks for 10 years versus holding a 10-year corporate bond may not be as great as

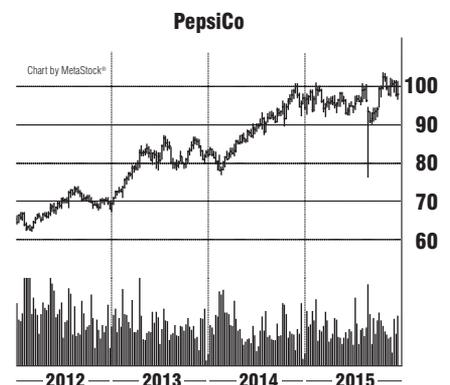
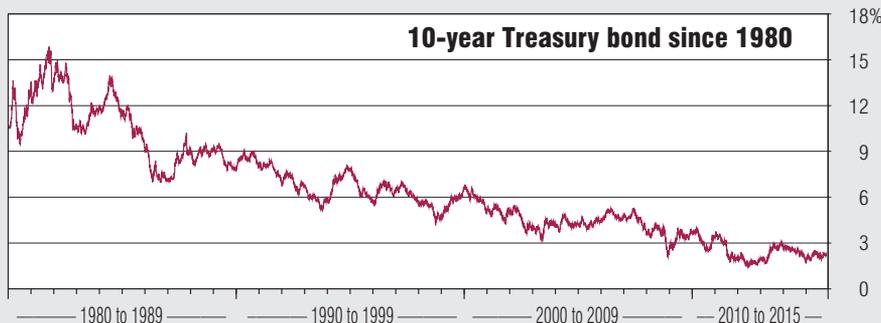
you think.

The bottom line is that by constructing a basket of quality, bond-like stocks, and holding for the medium-to-long term (say 10 years or more), you should be able to do better than bonds. One reason is that your "yield to maturity" should be higher with stocks than bonds. Stocks can increase their dividends; bonds cannot. Thus, over 10 years, quality stocks with decent yields and growing dividends should generate total cash flow that surpasses that of corporate bonds. A second reason is that your total returns should be higher. Large-company stocks have outperformed long-term corporate bonds in 62 of the 80 rolling 10-year periods since 1926. That's a winning percentage of nearly 78%. Yes, the winning percentage is not 100%, which highlights that there is risk to this strategy. Still, the odds favor the basket of bond-like stocks.

But who are these "bond-like" stocks?

The table on page 5 lists quality, well-known stocks that have bond-like qualities. All of the stocks have current yields that are comparable or even greater than the yields of the respective company's medium-term bonds. Furthermore, many of the companies have long histories of

35 Years Of Falling Interest Rates



boosting their dividends on a regular basis and at healthy rates. Finally, I feel comfortable saying that I would expect every one of these stocks to be higher a decade from now.

Among the stocks listed here, one favorite is Editor's Portfolio holding **PepsiCo** (\$98; *PEP*). PepsiCo represents what I think is the quintessential bond-like stock. The current yield of 2.9% is just a shade under the yield of PepsiCo's bonds maturing in 2025. But unlike those bonds, PepsiCo has been boosting the cash flow on the stock annually; PepsiCo has boosted its dividend for 43 consecutive years, and 2016 should continue that streak. And

the dividend-growth rate has been healthy at 8% annually over the last five years. The stock has roughly doubled over the last 10 years, and I look for another double over the next decade. Investors who are considering investing in a high-quality corporate bond may want to give these common shares a closer look.

PepsiCo offers a direct-purchase plan whereby any investor may buy the first share and every share of stock directly from the company. Minimum initial investment is \$500. Subsequent investments are a minimum \$50. There is a one-time enrollment fee of \$10. The fee to reinvest dividends is \$0.03 per share if the

investor has fewer than 100 shares. For investors holding 100 shares or more, the reinvestment fee is 5% of the amount being reinvested (maximum \$2) plus \$0.03 cents per share. Optional cash investments made with a check will incur a fee of \$3 plus \$0.03 per share. Shares purchased via automatic monthly debit from a bank account will incur a fee of \$2 plus \$0.03 per share. Batch, market, or limit-order sales will incur a flat fee of \$25 plus \$0.12 per share. The plan administrator is Computershare. For enrollment information call (800) 226-0083 or visit Computershare online at www.computershare.com.

Bond-Like Stocks With Direct-Purchase Plans

| Company (Price; Ticker) | Dividend | Yield | Estimated Intermediate Bond Yield | 5-Year Ann. Dividend Growth | 52-Week Price Range | — Quadrix Scores * — | | | Industry |
|---|----------|-------|-----------------------------------|-----------------------------|---------------------|----------------------|-------------|---------|--------------------------|
| | | | | | | Value | Performance | Overall | |
| Altria (\$57; <i>MO</i>) | \$2.26 | 4.0% | 3.6% | 8% | \$62 - \$47 | 22 | 84 | 66 | Tobacco |
| AT&T (\$34; <i>T</i>) | 1.92 | 5.6 | 3.5 | 2 | 36 - 31 | 73 | 67 | 59 | Diversified Telecom |
| Caterpillar (\$65; <i>CAT</i>) | 3.08 | 4.7 | 3.4 | 12 | 95 - 63 | 83 | 27 | 50 | Machinery |
| Chevron (\$90; <i>CVX</i>) | 4.28 | 4.8 | 3.5 | 8 | 114 - 70 | 50 | 54 | 27 | Oil & Gas Exploration |
| Cisco Systems (\$26; <i>CSCO</i>) | 0.84 | 3.2 | 3.2 | NA | 30 - 23 | 79 | 55 | 77 | Communications Equip. |
| Coca-Cola (\$43; <i>KO</i>) | 1.32 | 3.1 | 3.2 | 8 | 44 - 37 | 25 | 79 | 31 | Beverages |
| ConocoPhillips (\$46; <i>COP</i>) | 2.96 | 6.4 | 2.4 | 6 | 71 - 41 | 36 | 32 | 8 | Oil & Gas Exploration |
| Deere (\$75; <i>DE</i>) | 2.40 | 3.2 | 2.8 | 15 | 98 - 72 | 50 | 46 | 33 | Machinery |
| Dominion Resources (\$67; <i>D</i>) | 2.59 | 3.9 | 3.9 | 7 | 81 - 65 | 51 | 52 | 42 | Diversified Utilities |
| Duke Energy (\$70; <i>DUK</i>) | 3.30 | 4.7 | 3.6 | 2 | 90 - 66 | 74 | 50 | 49 | Electric Utilities |
| Eaton (\$50; <i>ETN</i>) | 2.20 | 4.4 | 3.8 | 14 | 74 - 49 | 88 | 30 | 75 | Electrical Equipment |
| Emerson Electric (\$45; <i>EMR</i>) | 1.90 | 4.3 | 3.3 | 7 | 63 - 42 | 77 | 39 | 50 | Electrical Equipment |
| Eversource Energy (\$50; <i>ES</i>) | 1.67 | 3.3 | 3.3 | 10 | 57 - 45 | 61 | 74 | 70 | Electric Utilities |
| Exxon Mobil (\$77; <i>XOM</i>) | 2.92 | 3.8 | 3.0 | 11 | 95 - 67 | 49 | 49 | 26 | Oil & Gas Exploration |
| Ford Motor (\$14; <i>F</i>) | 0.60 | 4.3 | 4.8 | NA | 17 - 10 | 95 | 52 | 92 | Automobiles |
| General Electric (\$30; <i>GE</i>) | 0.92 | 3.0 | 3.0 | 14 | 31 - 19 | 25 | 91 | 28 | Conglomerates |
| IBM (\$135; <i>IBM</i>) | 5.20 | 3.9 | 3.5 | 15 | 176 - 132 | 91 | 36 | 81 | Technology Services |
| Intel (\$34; <i>INTC</i>) | 0.96 | 2.8 | 3.4 | 9 | 38 - 25 | 64 | 80 | 80 | Semiconductors |
| McDonald's (\$117; <i>MCD</i>) | 3.56 | 3.1 | 1.9 | 10 | 119 - 88 | 22 | 96 | 44 | Restaurants |
| Merck (\$52; <i>MRK</i>) | 1.84 | 3.6 | 3.5 | 4 | 64 - 46 | 49 | 52 | 56 | Pharmaceuticals |
| PepsiCo (\$98; <i>PEP</i>) | 2.81 | 2.9 | 3.1 | 8 | 103 - 76 | 31 | 75 | 42 | Beverages |
| Pfizer (\$32; <i>PFE</i>) | 1.20 | 3.8 | 3.1 | 11 | 36 - 28 | 50 | 57 | 61 | Pharmaceuticals |
| Philip Morris Int'l (\$87; <i>PM</i>) | 4.08 | 4.7 | 3.3 | 10 | 90 - 75 | 30 | 83 | 31 | Tobacco |
| Procter & Gamble (\$78; <i>PG</i>) | 2.65 | 3.4 | 3.2 | 7 | 94 - 65 | 37 | 66 | 41 | Household Products |
| Target (\$71; <i>TGT</i>) | 2.24 | 3.1 | 3.1 | 18 | 86 - 68 | 80 | 46 | 80 | General Retail |
| United Parcel (\$98; <i>UPS</i>) | 2.92 | 3.0 | 2.7 | 9 | 114 - 94 | 48 | 59 | 57 | Air Freight |
| Verizon Communications (\$46; <i>VZ</i>) | 2.26 | 5.0 | 3.8 | 4 | 51 - 38 | 82 | 62 | 87 | Diversified Telecom |
| Wal-Mart Stores (\$59; <i>WMT</i>) | 1.96 | 3.3 | 2.9 | 10 | 91 - 56 | 88 | 28 | 83 | Food & Staples Retailing |

* Quadrix scores are percentile ranks, with 100 the best.

DRIP

model portfolios

What Editor's Portfolio holdings offer the best total-return potential for 2016? Well, my track record on this score was a bit mixed in 2015. I highlighted **Exxon Mobil** (\$77; *XOM*), **Paychex** (\$52; *PAYX*), and **Regions Financial** (\$9; *RF*) at the end of 2014 as solid picks for 2015. Paychex was a nice winner, rising 14% and handily outperforming the broad market. The shares of this provider of payroll-processing and other human-resources services for small and medium-sized businesses benefited from steady job growth as well as expectations for higher interest rates. On the other hand, Regions Financial was down around 11% before dividends, and Exxon Mobil fell 16% before dividends. I still like all three stocks for 2016, especially Exxon Mobil, which I think will get a relief bounce along with other high-quality energy stocks in general. However, if I had to pick one stock from the portfolio for 2016, it would be **Procter & Gamble** (\$78; *PG*).

I know that betting on P&G in recent years hasn't exactly been a profitable strategy. Wall Street has been frustrated with the company's growth. And there has been a bit of a revolving door in top management. Still, I think P&G is an interesting "mean-reversion" story for 2016. Indeed, I've written extensively over the years about the tendency of Dow Jones Industrial components to perform well after periods of underperformance. P&G is one of the worst performers in the Dow Industrials this year, so history says a better year is likely in 2016. Another reason I like the stock's chances in 2016 is that I expect some of the global headwinds that have hurt the company, including the strong dollar and weakness in emerging countries, to dissipate a bit in 2016. Other factors that should help the stock are continued opportunities for restructuring and asset sales, as well as a dividend yield of

EDITOR'S PORTFOLIO

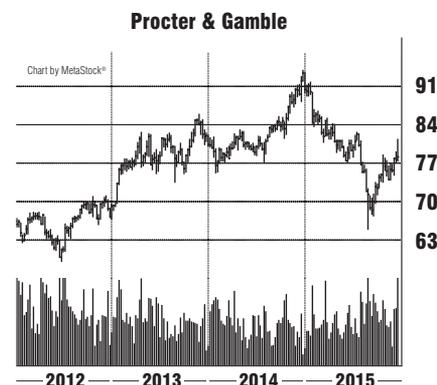
| | Recent Price | Dividend | Yield | 52-Week Price Range | Optional Cash Payments Minimum/Maximum |
|---|--------------|----------|-------|---------------------|--|
| † Barclays PLC (800) 428-4237 | \$13 | \$0.42 | 3.2% | \$18.05 - \$12.65 | Minimum \$50 |
| Block (H&R) (888) 213-0968 | 33 | 0.80 | 2.4 | 37.53 - 29.15 | Minimum \$250 |
| † Bristol-Myers (855) 598-5485 | 68 | 1.52 | 2.2 | 70.87 - 51.82 | Minimum \$50 |
| † Equifax (866) 665-2279 | 110 | 1.16 | 1.1 | 113.82 - 79.62 | \$50/\$10,000 monthly |
| † Exxon Mobil (800) 252-1800 | 77 | 2.92 | 3.8 | 95.18 - 66.55 | \$50/\$250,000 annually |
| † Motorola Solutions (800) 704-4098 | 68 | 1.64 | 2.4 | 72.97 - 56.40 | \$50/\$250,000 annually |
| •† Paychex (877) 814-9688 | 52 | 1.68 | 3.2 | 54.78 - 41.59 | Minimum \$100 |
| † PepsiCo (800) 226-0083 | 98 | 2.81 | 2.9 | 103.44 - 76.48 | \$50/\$120,000 annually |
| † Procter & Gamble (800) 742-6253 | 78 | 2.65 | 3.4 | 93.89 - 65.02 | Minimum \$50 |
| † Regions Financial (800) 524-2879 | 9 | 0.24 | 2.6 | 10.87 - 8.54 | \$100/\$15,000 annually |
| •† Walgreens Boots (888) 368-7346 | 83 | 1.44 | 1.7 | 97.30 - 73.00 | \$50/\$60,000 annually |

• Traded on the Nasdaq market. † Initial purchases may be made directly from the company.

3.4%. I also wouldn't be surprised to see activist investors apply more pressure in 2016 if the stock remains in the doldrums. I would feel comfortable buying the stock at current prices and look for double-digit total returns in 2016.

Procter & Gamble offers a direct-purchase plan whereby any investor may buy the first share and every share of stock directly from the company. Minimum initial investment is \$250. Subsequent investments are a minimum \$50. There is no enrollment fee and no fee to reinvest dividends. Optional purchase fees are \$2.50 if shares are purchased with a check; there are no optional cash purchase fees if purchases made via automatic monthly debit of a bank account. Selling fees are \$15 and \$0.12

per share for a batch sale requested via the mail and \$5 plus \$0.12 per share for batch sales requested via the Internet. For enrollment information call (800) 742-6253 or visit the company's transfer agent, Computershare, at www.computershare.com.



Amgen's Dividend Hike A Good Sign

A company's dividend policy can be an important signal as to how a firm feels about its future. Indeed, companies are extremely reluctant to lower or eliminate their dividends — dividend cuts or omissions are bad for stock prices — so a lot of care goes into whether to hike the dividend, and by how much. Big dividend hikes reflect a certain confidence in the company's financial stability and growth trajectory. That **Amgen** (\$159; *AMGN*), the biotechnology giant, just raised its dividend is not a big surprise. The firm has raised its dividend every year since it was initiated in 2011. What was eye-catching was the amount of the increase — 27%. The firm will now be paying a quarterly dividend of \$1 per share, giving these shares an indicated dividend yield of roughly 2.5%. The strong dividend hike confirms the optimism I have for these shares going forward. The stock is down 12% from its 52-week high of around \$182 per share. The price decline is providing a nice entry point for investors.

Corporate Profile

Amgen is one of the world's leading independent biotechnology companies. The company has a presence in more than 75 countries with medications to fight cancer, kidney disease, rheumatoid arthritis, bone disease, and other serious illnesses.

Popular brands include *Aranesp* and *Epogen* to treat anemia, *Neulasta* and *Neupogen* to fight infections in chemotherapy patients, and *Enbrel* to treat autoimmune diseases.

While the biotechnology sector has its share of high-flying companies, Amgen represents a fairly "Steady Eddie" play in the group. Per-share profits have risen every year except one since 1999, with per-share profits roughly doubling since 2010. Revenue growth has been solid as well, with Amgen likely to post sales gains of around 8% in 2015 when final figures are reported. While revenue growth may be milder in 2016, Amgen's long-term growth sets up nicely. The firm is seeing solid growth from some of its biggest sellers, especially *Enbrel*. Amgen is also excited about newer drugs, including *Kyprolis*, a treatment for myeloma; and *Repatha*, a treatment for high cholesterol. The firm expects *Kyprolis* and *Repatha* to be "blockbuster sales opportunities." Its new-product pipeline is well stocked, and Amgen is making headway on biosimilar drugs. Amgen believes its biosimilars — biosimilars are kind of generic versions of biotech drugs — have the potential to generate more than \$3 billion in annual revenue.

Conclusion

Per-share profits should come in around \$10.65 in 2016. The stock's

Amgen (NASDAQ: AMGN)
One Amgen Center Drive
Thousand Oaks, CA 91320-1799
(805) 447-1000 (877) 879-8033
<http://www.amgen.com>

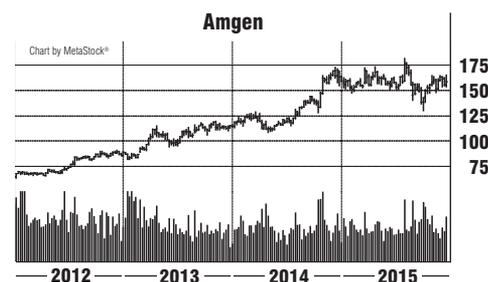
Plan Specifics:

- Investors must own at least one share of stock in order to join the plan.
- Partial dividend reinvestment is available.
- OCP: \$25 to \$10,000 per transaction.
- Purchasing costs are \$2.50 plus 10 cents per share.
- Selling costs are \$15 plus 10 cents per share.
- Dividend reinvestment fee: 2 percent of amount reinvested (\$2.50 maximum) plus 10 cents per share.
- Automatic investment services are available.
- Dividends are paid March, June, September, and December.

Performance Rating: * * * * *
 (Out of 5 stars)

price-earnings ratio based on that estimate is just 15, an attractive multiple for the biotechnology group. The 2.5% yield provides a nice kicker to total-return prospects. Amgen enters 2016 with decent momentum, as the firm raised sales and per-share earnings guidance three times in 2015. Please note Amgen offers a traditional dividend reinvestment plan. In order to join the plan, investors must already own at least one share, and the share must be registered in the investor's name, not the broker name. Shares may also be bought via a broker.

| | 2014 | 2013 | 2012 | 2011 |
|--------------------|---------|---------|---------|---------|
| Revenue (Bil.) | \$20.06 | \$18.68 | \$17.27 | \$15.58 |
| Earnings Per Share | 8.70 | 7.60 | 6.46 | 5.25 |
| Dividend | 2.44 | 1.88 | 1.44 | 0.56 |





Charles B. Carlson, CFA
Editor

Continued from page 1

Market Outlook For 2016

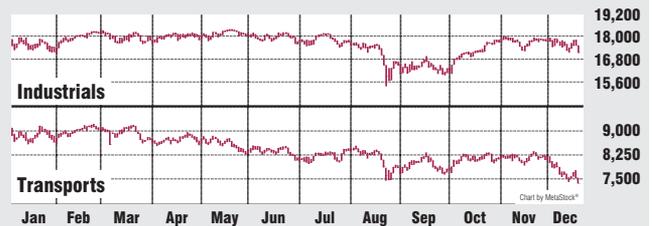
stocks are popular and thus closer to fully valued as a group. Conversely, if you have a low percentage of stocks trading above their 200-day moving average, stocks are out of favor and offering decent values as a group. As the Intermediate Potential Risk Indicator on page 1 shows, the current reading is 26%, which is in “lower risk” territory. Now, while the percentage can go lower — in late 2008/early 2009, the percentage fell to an all-time low of 2% — the current

How'd I Do In 2015?

Here were my predictions for 2015, and what really happened:

- ▶ “I think a rise in the S&P 500 of at least 7% is in the cards in 2015.” Well, not exactly. Stocks took more of a breather than I thought, with the S&P 500 basically flat for the year.
- ▶ “I expect to see more volatility in 2015 than in 2014.” It would be hard to dispute the fact that 2015 has been a choppy year, with lots of market swings (not to mention big swings in certain industry sectors). Reflective of this choppy market was the fact that the S&P 500 recently had 28 consecutive trading days when the index did not rise on two consecutive days. That hasn't happened since at least 1970 and indicates just how choppy this market has been. So, yes, I think I got that one right.
- ▶ “I'm finding myself being increasingly drawn to McDonald's.” That turned out to be a great call. Indeed, McDonald's stock is up 24% over the last 12 months, crushing the broad market.
- ▶ “The biggest risk is what is usually the biggest risk to bull markets – disappointing corporate profits.” I'll admit there were a lot of crosscurrents in the market this year – political and economic instability overseas, terrorist activities across the global, the strong dollar, the constant threat of rising interest rates. But when you take a step back and evaluate all of the factors, the one that jumps out as perhaps the biggest brake on this market is the mediocre profit and revenue performance for much of the year. So what I thought would be the biggest risk for the market turned out to be just that. And, quite frankly, it is probably the biggest risk to the market in 2016.

Dow Industrials And Dow Transports



reading reflects a market where investors aren't expecting much from stocks. I like to see low-expectation markets. It's a cliché, but I have found it to be true — stocks climb a wall of worry, and plenty of worry exists right now.

While I believe the opportunity exists for stocks to move higher in 2016, a market advance won't occur without better action from the transportation stocks. It is not surprising that with the Dow Transports behaving so poorly in 2015, the Dow industrials and the broader market would have problems staging a sustained rally. If the Dow Transports remain weak or head even lower, it will be difficult for the broad market to register gains in 2016.

If the Dow Transports hold the key to the market in 2016, than it might be worthwhile to include a quality transportation stock in your portfolio. Two that look especially interesting to me right now are **FedEx** (\$146; *FDX*) and **Southwest Airlines** (\$43; *LUV*). FedEx recently reported that it is having a record year for holiday shipments. I like the stock as a play on a rebound in transportation stocks and would be a buyer at current levels. Southwest Airlines is one of the highest-ranked stocks in our Quadrix system. The stock is down some 15% from its 52-week high and is an interesting selection in the transportation sector. Please note that both FedEx and Southwest Airlines offer direct-purchase plans whereby any investor may buy the first share and every share of stock directly from the company. See the “Keeping Tabs” pages of the newsletter for contact information for these and other U.S. direct-purchase plans.

* * * * *

Here's wishing all of you a healthy and hopeful New Year. And thank you for your readership. It's greatly appreciated.

Charles B. Carlson

Keeping Tabs

The list on this page and continued on page 10 highlights all U.S. companies offering No-Load Stock programs. These are dividend reinvestment plans in

which investors may make even initial purchases directly from the company.

A Amstock — www.amstock.com

B Broadridge — stockplans.broadridge.com

Key For Transfer Agent (TA) Codes

C Computershare — www.computershare.com

W Wells Fargo — www.shareowneronline.com

S Self-Administered plans

U.S. firms which permit initial purchases directly

| Stock (initial investment) | Phone | TA | Symbol | Stock (initial investment) | Phone | TA | Symbol | Stock (initial investment) | Phone | TA | Symbol |
|--------------------------------|--------------|----|--------|------------------------------------|--------------|----|--------|----------------------------------|--------------|----|--------|
| AbbVie (\$250) | 877-881-5970 | C | ABBV | Bob Evans Farms (\$250) | 866-714-7298 | A | BOBE | Discover (\$500) | 866-258-6590 | C | DFS |
| Acadia Realty (\$250) | 888-200-3164 | A | AKR | BorgWarner (\$500) | 800-851-4229 | C | BWA | Disney (Walt) (\$100) | 855-553-4763 | B | DIS |
| Acuity Brands (\$500) | 866-234-1921 | C | AYI | Boston Beer (\$500) | 888-877-2890 | C | SAM | Dollar General (\$250) | 866-927-3314 | W | DG |
| Aerofjet Rocketdyne (\$500) | 877-889-2023 | C | AJRD | Boston Properties (\$250) | 888-485-2389 | C | BXP | Dominion Resources (\$40) | 800-552-4034 | S | D |
| Aetna (\$500) | 800-446-2617 | C | AET | Bristol-Myers Squibb (\$250) | 855-598-5485 | W | BMJ | Domino's Pizza (\$65) | 877-272-9616 | C | DPZ |
| Aflac (\$1,000) | 800-227-4756 | S | AFL | Brookline Bancorp (\$250) | 800-278-4353 | A | BRKL | Douglas Dynamics (\$250) | 800-368-5948 | C | PLOW |
| Agilent (\$500) | 877-309-9856 | C | A | Brunswick (\$500) | 800-546-9420 | C | BC | Dover (\$500) | 888-567-8341 | C | DOV |
| AGL Resources (\$250) | 800-468-9716 | W | GAS | Buckeye Partners (\$250) | 877-724-6457 | A | BPL | Dr Pepper Snapple (\$250) | 877-745-9312 | C | DPS |
| Air Products (\$500) | 844-318-0129 | B | APD | Buckle (\$500) | 800-884-4225 | C | BKE | Duke Energy (\$250) | 800-488-3853 | S | DUK |
| Alaska Commun. (\$250) | 877-870-2426 | C | ALSK | Calamos Asset Mgt. (\$200) | 866-226-8016 | C | CLMS | Duke Realty (\$250) | 800-278-4353 | A | DRE |
| Allegheny Technol. (\$250) | 800-406-4850 | C | ATI | Caleres (\$250) | 866-865-6319 | C | CAL | Dunkin' Brands (\$250) | 866-627-2882 | A | DNKN |
| ALLETE (\$250) | 800-535-3056 | W | ALE | Calgon Carbon (\$250) | 800-368-5948 | C | CCC | Eastern (\$250) | 800-278-4353 | A | EML |
| Alliant Energy (\$250) | 800-356-5343 | W | LNT | California Water Svc. (\$250) | 888-888-0316 | A | CWT | Eastman Chemical (\$250) | 877-322-4908 | A | EMN |
| Allstate (\$500) | 800-355-5191 | W | ALL | Campbell Soup (\$500) | 800-780-3203 | C | CPB | Eaton (\$100) | 888-597-8625 | C | ETN |
| Altria (\$500) | 800-442-0077 | C | MO | Cardinal Financial (\$250) | 877-814-9740 | A | CFNL | Edison Int'l (\$1,000) | 800-347-8625 | W | EIX |
| Ameren (\$250) | 800-255-2237 | S | AEE | Carpenter Technol. (\$250) | 888-200-3170 | A | CRS | Education Realty (\$300) | 866-659-2645 | A | EDR |
| American Capital (\$250) | 800-733-5001 | C | AGNC | Carriage Services (\$250) | 877-611-8040 | A | CSV | Eli Lilly (\$1,000) | 800-833-8699 | W | LLY |
| American Elec. Power (\$250) | 800-328-6955 | C | AEP | Cash America (\$250) | 800-542-7530 | C | CSH | Emerson Electric (\$250) | 888-213-0970 | C | EMR |
| American Express (\$1,000) | 800-463-5911 | C | AXP | Cass Info. Systems (\$250) | 866-323-8170 | C | CASS | Empire District Electric (\$250) | 800-468-9716 | W | EDE |
| American States Water (\$500) | 888-816-6998 | C | AWR | Caterpillar (\$250) | 866-203-6622 | C | CAT | Energyn (\$250) | 888-764-5603 | C | EGN |
| American Water Works (\$100) | 888-556-0423 | A | AWK | CBS (\$250) | 866-595-1717 | W | CBS | Entergy (\$250) | 855-854-1360 | W | ETR |
| Ameriprise Financial (\$1,000) | 866-337-4999 | C | AMP | CenterPoint Energy (\$250) | 800-231-6406 | S | CNP | EPR Properties (\$200) | 800-884-4225 | C | EPR |
| AMETEK (\$250) | 877-854-0864 | A | AME | Chase Corp. (\$250) | 877-253-6849 | A | CCF | Equifax (\$500) | 866-665-2279 | A | EFX |
| Andersons (\$250) | 312-360-5260 | C | ANDE | Chatham Lodging (\$250) | 800-468-9716 | W | CLDT | Essex Property (\$2,500) | 312-360-5354 | C | ESS |
| Anworth Mtg. Asset (\$1,000) | 877-248-6410 | A | ANH | Chemours (\$250) | 866-478-8569 | C | CC | Estee Lauder (\$250) | 888-860-6295 | C | EL |
| Aon (\$250) | 855-231-9429 | C | AON | Chevron (\$250) | 800-368-8357 | C | CVX | Eversource Energy (\$500) | 800-999-7269 | C | ES |
| Applied Indust. Tech. (\$250) | 800-988-5291 | C | AIT | Chubb (\$200) | 866-232-3039 | B | CB | Exelon (\$250) | 800-626-8729 | W | EXC |
| Aqua America (\$500) | 800-205-8314 | C | WTR | Church & Dwight (\$250) | 866-299-4219 | C | CHD | Exxon Mobil (\$250) | 800-252-1800 | C | XOM |
| Arrow Financial (\$300) | 888-444-0058 | A | AROW | CIGNA (\$250) | 800-760-8864 | C | CI | FBI Financial (\$250) | 866-892-5627 | A | FFG |
| Arthur J. Gallagher (\$250) | 312-360-5386 | C | AJG | Cincinnati Financial (\$25) | 866-638-6443 | A | CINF | Federal Realty (\$250) | 877-611-8039 | A | FRT |
| Ashland (\$500) | 855-598-5486 | W | ASH | Cisco Systems (\$500) | 800-254-5194 | C | CSCO | Federal Signal (\$250) | 800-622-6757 | C | FSS |
| AT&T (\$500) | 800-351-7221 | C | T | Clearwater Paper (\$250) | 866-205-6799 | C | CLW | FedEx (\$1,000) | 800-446-2617 | C | FDX |
| Atmos Energy (\$1,250) | 800-543-3038 | A | ATO | Clorox (\$250) | 800-756-8200 | C | CLX | Ferro (\$250) | 800-622-6757 | C | FOE |
| Avery Dennison (\$500) | 888-682-5999 | B | AVY | CMS Energy (\$250) | 855-598-2714 | W | CMS | Fifth Third Bancorp (\$250) | 888-294-8285 | A | FITB |
| Avis Budget Group (\$250) | 800-589-9469 | C | CAR | Coca-Cola (\$500) | 888-265-3747 | C | KO | First American (\$250) | 800-468-9716 | W | FAF |
| Avista (\$250) | 800-642-7365 | C | AVA | Colgate-Palmolive (\$500) | 800-756-8700 | C | CL | First Business Fin'l (\$250) | 800-893-4698 | C | FBIZ |
| Avon Products (\$500) | 800-446-2617 | C | AVP | Columbia Pipeline (\$250) | 866-442-9120 | C | CPGX | First Commwltth Fin'l (\$500) | 866-203-5173 | C | FCF |
| Badger Meter (\$100) | 877-248-6415 | A | BMI | Columbus McKinnon (\$250) | 888-200-3161 | A | CMCO | First Niagara Fin'l (\$250) | 877-785-9670 | A | FNFG |
| Baker Hughes (\$500) | 888-216-8057 | C | BHI | Communication Sales/Leas'g (\$250) | 800-891-2981 | W | CSAL | Flowers Foods (\$500) | 800-568-3476 | C | FLO |
| Bank of America (\$1,000) | 800-642-9855 | C | BAC | Community Bank Sys. (\$250) | 877-253-6847 | A | CBU | Flowserve (\$100) | 800-468-9716 | W | FLS |
| Bank of NY Mellon (\$1,000) | 800-205-7699 | C | BK | ConocoPhillips (\$250) | 800-356-0066 | C | COP | Ford Motor (\$500) | 800-279-1237 | C | F |
| Bank of SC (\$250) | 800-568-3476 | C | BKSC | Cooper Tire & Rubber (\$250) | 888-294-8217 | C | CTB | Franklin Resources (\$500) | 866-229-6632 | C | BEN |
| Banner (\$250) | 800-697-8924 | C | BANR | CoreLogic (\$250) | 800-468-9716 | W | CLGX | Freeport-McMoRan (\$500) | 800-953-2493 | C | FCX |
| Bard (C.R.) (\$250) | 800-446-2617 | C | BCR | Costco Wholesale (\$250) | 800-249-8982 | C | COST | Frontier Commun. (\$250) | 877-770-0496 | C | FTR |
| Barnes Group (\$250) | 800-801-9519 | C | B | Cracker Barrel (\$250) | 800-278-4353 | A | CBRL | General Electric (\$250) | 800-786-2543 | C | GE |
| Baxalta (\$250) | 866-433-8297 | C | BXLT | CSX (\$200) | 800-521-5571 | B | CSX | General Mills (\$250) | 800-670-4763 | W | GIS |
| BB&T (\$250) | 800-213-4314 | C | BBT | Curtiss-Wright (\$250) | 855-449-0995 | B | CW | Genworth Financial (\$200) | 866-229-8413 | C | GNW |
| Becton, Dickinson (\$250) | 877-498-8861 | C | BDX | CVS Health (\$250) | 877-287-7526 | W | CVS | Goodyear (\$250) | 800-317-4445 | C | GT |
| Bemis (\$500) | 800-468-9716 | W | BMS | Darden Restaurants (\$1,000) | 877-602-7596 | W | DRI | Gorman-Rupp (\$200) | 844-318-0130 | B | GRC |
| Best Buy (\$500) | 844-318-0131 | B | BBY | DCT Industrial (\$250) | 866-485-0444 | C | DCT | Great Plains Energy (\$500) | 800-884-4225 | C | GXP |
| BioMed Realty (\$100) | 800-524-4458 | C | BMR | Deere & Co. (\$500) | 800-268-7369 | C | DE | Halliburton (\$500) | 800-279-1227 | C | HAL |
| Black Hills (\$250) | 800-468-9716 | W | BKH | Diebold (\$500) | 855-598-5492 | W | DBD | HanesBrands (\$250) | 800-697-8592 | C | HBI |
| Blyth Inc. (\$250) | 800-446-2617 | C | BTH | Dime Community (\$250) | 800-278-4353 | A | DCOM | Harley-Davidson (\$500) | 866-360-5339 | C | HOG |

| Stock (initial investment) | Phone | TA | Symbol | Stock (initial investment) | Phone | TA | Symbol | Stock (initial investment) | Phone | TA | Symbol |
|--------------------------------|--------------|----|--------|-------------------------------|--------------|----|--------|----------------------------------|--------------|----|--------|
| Hasbro (\$250) | 800-733-5001 | C | HAS | NCR (\$250) | 800-468-9716 | W | NCR | Sprint (\$500) | 800-259-3755 | C | S |
| Hawaiian Elec. Indust. (\$250) | 866-672-5841 | S | HE | New Jersey Resources (\$100) | 800-817-3955 | W | NJR | St. Jude Medical (\$250) | 800-468-9716 | W | STJ |
| HCP (\$750) | 800-468-9716 | W | HCP | NewBridge Bancorp (\$250) | 800-633-4236 | C | NBBC | Stanley Black & Decker (\$250) | 888-660-5513 | C | SWK |
| Hershey Company (\$250) | 800-851-4216 | C | HSY | Newell Rubbermaid (\$250) | 877-233-3006 | C | NWL | Staples (\$250) | 888-875-9002 | C | SPLS |
| Hill-Rom (\$250) | 800-716-3607 | C | HRC | Newport (\$250) | 800-468-9716 | W | NEWP | Starbucks (\$500) | 888-835-2866 | C | SBUX |
| HollyFrontier (\$250) | 800-468-9716 | W | HFC | Nike (\$500) | 800-756-8200 | C | NKE | Starwood Property (\$250) | 800-278-4353 | A | STWD |
| Home Depot (\$500) | 800-577-0177 | C | HD | NISource (\$250) | 888-884-7790 | C | NI | State Street (\$250) | 866-714-7293 | A | STT |
| Home Properties (\$1,000) | 888-245-0458 | C | HME | Nordson (\$250) | 800-622-6757 | C | NDSN | Steel Dynamics (\$250) | 877-282-1168 | C | STLD |
| Horace Mann Educ. (\$250) | 877-295-6910 | A | HMN | Norfolk Southern (\$250) | 877-864-4750 | A | NSC | SunTrust Banks (\$1,000) | 866-299-4214 | C | STI |
| IBM (\$500) | 888-426-6700 | C | IBM | Northwest Natural Gas (\$250) | 888-777-0321 | A | NWN | Superior Industries (\$250) | 800-368-5948 | C | SUP |
| IdaCorp (\$200) | 800-565-7890 | W | IDA | OGE Energy (\$250) | 888-216-8114 | C | OGE | SUPERVALU (\$250) | 877-536-3555 | W | SUV |
| Imation (\$500) | 800-468-9716 | W | IMN | Old National Bancorp (\$500) | 800-677-1749 | S | ONB | Synovus Financial (\$250) | 888-777-0322 | A | SNV |
| Infinity Property (\$250) | 866-624-4112 | A | IPCC | Old Republic Int'l (\$1,000) | 800-468-9716 | W | ORI | Target (\$500) | 800-794-9871 | W | TGT |
| Ingersoll-Rand (\$500) | 866-229-8405 | C | IR | Omega Healthcare (\$250) | 800-368-5948 | C | OHI | Taubman Centers (\$250) | 888-877-2889 | C | TCO |
| Intel (\$250) | 800-298-0146 | C | INTC | Omnicom (\$250) | 800-468-9716 | W | OMC | TCF Financial (\$250) | 800-443-6852 | C | TCB |
| International Paper (\$500) | 800-678-8715 | C | IP | One Gas (\$250) | 855-217-6403 | W | OGS | TECO Energy (\$250) | 800-650-9222 | W | TE |
| Intersil (\$250) | 877-208-9537 | A | ISIL | ONEOK (\$250) | 866-235-0232 | W | OKE | Teleflex (\$250) | 800-278-4353 | A | TFX |
| ITC Holdings (\$250) | 877-373-6374 | C | ITC | Oshkosh (\$100) | 866-222-4059 | C | OSK | Terex (\$250) | 877-611-8033 | A | TEX |
| ITT Corporation (\$500) | 800-254-2823 | W | ITT | Owens & Minor (\$200) | 866-252-0358 | C | OMI | TESSCO Technologies (\$250) | 800-468-9716 | W | TESS |
| J.P. Morgan Chase (\$250) | 800-758-4651 | C | JPM | Paychex (\$250) | 877-814-9688 | A | PAYX | Texas Instruments (\$250) | 800-981-8676 | C | TXN |
| Jeffersonville Bancorp (\$250) | 877-295-7337 | A | JFBC | Peabody Energy (\$500) | 866-621-2789 | A | BTU | Tiffany (\$250) | 888-778-1307 | C | TIF |
| Johnson Controls (\$100) | 877-602-7397 | W | JCI | Penney (J.C.) (\$250) | 800-842-9470 | C | JCP | Timken (\$1,000) | 800-468-9716 | W | TKR |
| Jones Lang LaSalle (\$250) | 866-210-8055 | C | JLL | Pennsylvania REIT (\$250) | 800-468-9716 | W | PEI | TimkenSteel (\$1,000) | 800-468-9716 | W | TMST |
| Kaman (\$250) | 800-227-0291 | C | KAMN | People's United Fin'l (\$250) | 800-953-2592 | C | PBCT | Tompkins Financial (\$100) | 877-573-4008 | A | TMP |
| Kellogg (\$50) | 877-910-5385 | W | K | PepsiCo (\$500) | 800-226-0083 | C | PEP | Total System Services (\$250) | 877-833-6707 | A | TSS |
| Kelly Services (\$250) | 866-249-2607 | C | KELYA | PerkinElmer (\$250) | 877-711-4098 | C | PKI | Travelers (\$250) | 888-326-5102 | W | TRV |
| KeyCorp (\$250) | 800-539-7216 | C | KEY | Pfizer (\$500) | 800-733-9393 | C | PFE | TrustCo Bank of NY (\$50) | 800-368-5948 | C | TRST |
| Kimberly-Clark (\$250) | 800-730-4001 | C | KMB | PG&E (\$250) | 888-489-4689 | A | PCG | Trustmark (\$250) | 877-476-4393 | A | TRMK |
| Kimco Realty (\$100) | 866-557-8695 | W | KIM | Philip Morris Int'l (\$500) | 877-745-9350 | C | PM | Twin Disc (\$250) | 800-839-2614 | C | TWIN |
| Kinder Morgan (\$500) | 800-847-4351 | C | KMI | Phillips 66 (\$250) | 866-437-0009 | C | PSX | Tyson Foods (\$250) | 877-498-8861 | C | TSN |
| KMG Chemicals (\$200) | 877-830-4936 | B | KMG | Physicians Realty (\$1,000) | 800-522-6645 | C | DOC | U.S. Bancorp (\$250) | 888-778-1311 | C | USB |
| Kohl's (\$500) | 800-468-9716 | W | KSS | Piedmont Natural Gas (\$250) | 877-724-6451 | W | PNY | UGI (\$1,000) | 800-850-1774 | C | UGI |
| Kraft Heinz (\$250) | 855-598-5493 | W | KHC | Pinnacle West (AZ) (\$50) | 800-457-2983 | C | PNW | UIL Holdings (\$250) | 877-681-8024 | B | UIL |
| L Brands (\$250) | 866-875-7975 | A | LB | Plum Creek Timber (\$500) | 800-254-4961 | C | PCL | Umpqua Holdings (\$250) | 800-922-2641 | C | UMPQ |
| Laclede Group (\$2,000) | 800-884-4225 | C | LG | PNM Resources (\$250) | 877-663-7775 | C | PNM | Union Pacific (\$250) | 800-317-2512 | C | UNP |
| Libbey (\$100) | 866-252-0125 | C | LB | PolyOne (\$250) | 855-598-2615 | W | POL | United Parcel Service (\$250) | 800-758-4674 | C | UPS |
| Liberty Property Tr. (\$1,000) | 800-944-2214 | W | LPT | Potlatch (\$250) | 866-593-2351 | C | PCH | United Technologies (\$250) | 800-488-9281 | C | UTX |
| Lincoln National (\$500) | 866-541-9693 | W | LNC | PPG Industries (\$500) | 800-648-8160 | C | PPG | USG (\$500) | 877-360-5385 | C | USG |
| Lockheed Martin (\$250) | 877-498-8861 | C | LMT | PPL (\$250) | 800-345-3085 | W | PPL | Valmont Industries (\$100) | 866-886-9962 | W | VMI |
| Lowe's Companies (\$250) | 877-282-1174 | C | LOW | Procter & Gamble (\$250) | 800-742-6253 | C | PG | Valspar (\$1,000) | 800-205-8318 | C | VAL |
| Macerich (\$250) | 800-567-0169 | C | MAC | Public Service Ent. (\$250) | 800-242-0813 | W | PEG | Vectren (\$500) | 866-614-9636 | W | VVC |
| Mack-Cali Realty (\$2,000) | 800-317-4445 | C | CLJ | Qualcomm (\$500) | 800-619-9612 | C | QCOM | Ventas (\$250) | 800-468-9716 | W | VTR |
| Macy's (\$500) | 866-337-3311 | C | M | Quanex Building Prod. (\$250) | 800-468-9716 | W | NX | Verizon Commun. (\$250) | 800-631-2355 | C | VZ |
| Marathon Oil (\$500) | 888-843-5542 | C | MRO | Quest Diagnostics (\$100) | 800-622-6757 | C | DGX | VF Corp. (\$500) | 800-446-2617 | C | VFC |
| Marathon Petroleum (\$500) | 866-820-7494 | C | MPC | Realty Income (\$1,500) | 877-218-2434 | W | O | Viacom (\$250) | 800-507-7799 | W | VIAB |
| Marriott Int'l (\$350) | 800-311-4816 | C | MAR | Regions Financial (\$1,000) | 800-524-2879 | C | RF | Vulcan Materials (\$250) | 866-886-9902 | C | VMC |
| Marsh & McLennan (\$500) | 800-457-8968 | W | MMC | Resource Capital (\$100) | 877-739-9997 | A | RSO | Walgreens Boots Alliance (\$250) | 888-368-7346 | W | WBA |
| Martin Midstream (\$500) | 800-301-0911 | C | MMLP | Reynolds American (\$500) | 877-679-5701 | C | RAI | Wal-Mart Stores (\$250) | 800-438-6278 | C | WMT |
| Mattel (\$500) | 888-909-9922 | C | MAT | Rockwell Automation (\$1,000) | 800-204-7800 | W | ROK | Washington REIT (\$250) | 800-519-3111 | C | WRE |
| McCormick & Co. (\$500) | 877-778-6784 | W | MKC | Rockwell Collins (\$1,000) | 888-253-4522 | W | COL | Waste Management (\$500) | 800-969-1190 | C | WM |
| McDermott Int'l (\$500) | 800-947-4542 | C | MDR | RPM International (\$200) | 800-988-5238 | W | RPM | Weingarten Realty (\$250) | 800-550-4689 | C | WRI |
| McDonald's (\$500) | 800-621-7825 | C | MCD | Ryder System (\$250) | 866-927-3884 | W | R | Wells Fargo (\$250) | 877-840-0492 | W | WFC |
| McGraw-Hill Fin'l (\$500) | 888-201-5538 | C | MHFI | Sanderson Farms (\$500) | 888-810-7452 | C | SAFM | Welltower (\$1,000) | 888-216-7206 | C | HCN |
| MDU Resources (\$250) | 877-536-3553 | W | MDU | Scana (\$250) | 800-763-5891 | W | SCG | Westamerica Bancorp (\$100) | 877-588-4258 | C | WABC |
| MeadWestvaco (\$500) | 866-455-3115 | C | MWV | Schnitzer Steel (\$500) | 800-468-9716 | W | SCHN | Westar Energy (\$250) | 800-527-2495 | S | WR |
| Medtronic (\$250) | 888-648-8154 | W | MDT | Scripps (E.W.) (\$250) | 866-293-4224 | C | SSP | Weyerhaeuser (\$500) | 800-561-4405 | C | WY |
| Merck (\$350) | 800-522-9114 | W | MRK | Scripps Networks (\$250) | 877-282-6540 | W | SNI | WGL Holdings (\$250) | 800-330-5682 | C | WGL |
| Meritor (\$500) | 866-517-4570 | C | MTOR | Sealed Air (\$1,000) | 800-648-8381 | C | SEE | Whirlpool (\$250) | 877-498-8861 | C | WHR |
| MFA Financial (\$1,000) | 866-249-2610 | C | MFA | Sempra Energy (\$500) | 877-773-6772 | A | SRE | Williams Cos. (\$250) | 800-884-4225 | C | WMB |
| MGE Energy (\$250) | 800-356-6423 | S | MGEE | Simon Property (\$500) | 800-454-9768 | C | SPG | Windstream (\$250) | 800-697-8153 | C | WIN |
| Microsoft (\$250) | 800-285-7772 | A | MSFT | Skyworks Solutions (\$250) | 877-366-6437 | A | SWKS | Wisconsin Energy (\$250) | 800-558-9663 | C | WEC |
| MidSouth Bancorp (\$1,000) | 888-216-8113 | C | MSL | Smucker (J.M.) (\$250) | 800-456-1169 | C | SJM | Woodward (\$250) | 877-253-6843 | A | WWD |
| Modine Mfg. (\$500) | 800-468-9716 | W | MOD | Snap-on (\$500) | 800-446-2617 | C | SNA | World Wrestling (\$250) | 888-556-0424 | A | WWE |
| Mondelez Int'l (\$500) | 866-655-7238 | W | MDLZ | South Jersey Indust. (\$100) | 888-754-3100 | B | SJI | Xylem (\$500) | 866-416-8481 | W | XYL |
| Monsanto (\$250) | 888-725-9529 | C | MON | Southern Co. (\$250) | 800-554-7626 | C | SO | Yahoo (\$250) | 877-946-6487 | C | YHOO |
| Morningstar (\$250) | 866-303-0659 | C | MORN | Southwest Airlines (\$250) | 866-877-6206 | W | LUV | York Water (\$500) | 877-739-9990 | A | YORW |
| Motorola Solutions (\$1,000) | 800-704-4098 | W | MSI | Southwestern Energy (\$250) | 800-446-2617 | C | SWN | Yum! Brands (\$250) | 888-439-4986 | A | YUM |
| National Fuel Gas (\$1,000) | 800-648-8166 | W | NFG | Spartan Motors (\$250) | 888-888-0145 | A | SPAR | Zep (\$250) | 877-842-1551 | A | ZEP |
| National Retail Prop. (\$100) | 800-278-4353 | A | NNN | Spectra Energy (\$250) | 855-277-3287 | B | SE | Zoetis (\$500) | 877-373-6374 | C | ZTS |

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