

HAPPY BIRTHDAY, I.Q. TRENDS

I was forty years old when we published the first issue of *Investment Quality Trends* in April, 1966. This month, *I.Q. Trends* is forty years old, and I am eighty. Where did the time go? One-half of my entire life has been spent in the company of *Investment Quality Trends*.

Forty years in the investment advisory business is a lifetime. In fact, *I.Q. Trends* is one of the oldest and most successful independently-owned investment advisory services in the nation. We were the first ones to coin the words "Undervalued" and "Overvalued" in relation to stock prices. *I.Q. Trends* also is the first investment advisory publication that was owned and operated by a woman for 37 years, until 2003 when I retired.

In 1966, women were not accepted in the investment industry. It was a man's world, and women need not apply. I will never forget one of the first responses I received to promotion literature that bore my name. It read, "*I can't imagine myself ever taking investment advice from a woman. Unless you take your advice from a man.*" (That letter hung on the wall of my office for many years.) Still, I wanted to publish the newsletter. So, in self-defense, I hid behind the initial "G. Weiss" and for many years most subscribers thought that the advice they received was coming from a man. I came out of the closet (so to speak) in 1983, when Louis Rukeyser invited me to appear on his popular TV show, "Wall Street Week." By then, the fact that G. Weiss was a woman didn't matter. The service had proved itself. Subscribers were making money. They really didn't care what the gender of the editor was.

At eighty years of age, one is allowed to reminisce. I recall that in 1966, there were no computers. It took three days with a slide ruler to calculate all the statistics that were published in *I.Q. Trends*. In 1968 we bought a calculator at Sears for \$200.00 (a bargain at the time). The calculator made our work a bit easier. But it wasn't until 1970, when we were able to buy time on a main-frame computer at Control Data, that our statistical work was reduced significantly. Still, it required hours of tedious key-punching, sorting and pasting before the issue was ready to be taken to the printer. The charts and graphs all were drawn by hand --- the hand of my daughter, Kat Taylor, who for many years was *I.Q. Trends'* Production Manager. Now, of course, the entire issue, including the charts, is printed on an office computer in a matter of minutes.

In the "old days," all of the issues were stuffed into envelopes, taken to the Post Office and mailed to subscribers. It often took up to one week for them for them to be delivered. Now, there is an electronic option and issues can be delivered to subscribers anywhere in the world in a matter of seconds. (That, absolutely boggles my mind.) Inflation of course has been a big factor in the production of *I.Q. Trends* over the past forty years. Then, a postage stamp cost \$.05. Now, the price of a stamp is \$.39. Actually, the only thing that has gone down in price over the past four decades is the cost of a calculator.

Of course, the stock market itself has changed enormously over the past forty years. The volume of trading and the number of products and services has grown exponentially. One of the most beneficial changes since 1966 is the availability of good information. Back then, if I wanted a stock quote, I had to phone a broker. Invariably the broker was a man who was annoyed by my phone call. And if I wanted to watch the market, I had to drive to a brokerage office where I would sit and watch an electronic ticker tape. I remember wishing that I had a ticker-tape in my kitchen so that I could watch the market while I prepared dinner.

Now, women have taken their place along with men in every corner of the investment world. Information about stocks and companies is at hand instantly on my computer. And I can watch the market from every room in my house, including the kitchen, thanks to CNBC and other the financial TV programs.

The one thing that has NOT changed in the past four decades is *I.Q. Trends'* approach to value through dividend yield. At the outset, we realized that it was unnecessary to search through

thousands of stocks to find profitable investments. We based our approach on the belief that investors should concentrate on individual stocks, not industry groups. Our original list included only 100 carefully screened, select blue chips. We later enlarged our universe of blue chips to 350 when technology enabled us to screen more stocks. However, to maintain standards of high quality as well as good value, we keep the number at 350. That number gives an individual investor more than enough choices for a manageable portfolio, which should contain no more than 20 or 25 stocks anyhow. Too many stocks will dilute a good performance. Too few, increases risk.

Over the years, some stocks listed in our service have been dropped and new stocks have taken their place. But standards of quality always have been maintained and measures of value have been consistent. As a result, patient investors who buy stocks when they are Undervalued and sell them when they are Overvalued have been pleased to see their capital and income grow. As they say, if it's not broken, don't fix it.

As many of you know, *I.Q. Trends* was always a "family affair." My daughter Kat Taylor, who now is Senior Concierge with a prominent hotel chain in La Jolla, for many years was our Graphic Artist and Production Manager. My son Gabriel Weiss, who now is a doctor of internal medicine in Vista, California, wrote the original computer program for *I.Q. Trends* when he was in college. My son Martin Weiss, who now is an attorney and General Counsel for a prominent land developer in Temecula, California, spent many long hours stuffing envelopes and answering the telephone at *I.Q. Trends* while he was attending high school. And my son Gregory "Linus" Weiss for ten years was *I.Q. Trends'* Associate Editor and Portfolio Manager before his untimely death in 2001.

I.Q. Trends has been a source of great pride and joy to me, personally. I believe in this concept of investing because over the years it has proved to be successful. It has provided me with financial independence and security. Subscribers who follow the principals of quality and value have been well-rewarded. The fact that this service has helped so many investors reach their investment goals has given me a sense of personal satisfaction and accomplishment, for which I am very grateful.

Since 1966, I have written about one thousand articles for *I. Q. Trends*. I have made hundreds of speeches at investment seminars and before investment clubs. I have appeared on countless radio and television shows. And I have co-authored two investment books. All of those words can be reduced to two sentences: To be successful in the stock market, one should confine investment selections to high quality, dividend-paying blue chip stocks. Buy them when they are "Undervalued" (based on historic profiles of dividend yield) and sell them when they are "Overvalued." I know that is easier said than done. The investment world is full of alternate roads to riches and conflicting advice. But this is a method that works ... as time and experience has proved.

When I retired in 2003 and handed the reins of this service over to Kelley Wright, I wondered if he would continue on the same path that led me and so many subscribers to success in the stock market. To my delight, he has faithfully followed the approach to value through dividend yield and he continues to include only high quality, dividend-paying blue chip stocks for investment consideration. In addition, he and Joseph McKittrick have improved the appearance of the publication, launched new features, and provided subscribers with clear, cogent investment information and advice. I congratulate them and *I.Q. Trends* on this fortieth anniversary issue. I am certain that they and their legion of subscribers will enjoy continued success and good fortune in the future. --- Geraldine Weiss, April 1, 2006