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## Investment Objectives and Sub-Peer Groups

Funds in the Value Line universe are divided among 31 investment objectives, which are grouped into six broad categories. Additionally, some funds with specialized policies receive Sub-Peer codes as well, allowing you to create refined comparisons of like funds. The investment categories, objectives and Sub-Peer Groups are as follows:

### General Equity

This category contains five investment objectives.

**Aggressive Growth (AG)** - Invests predominantly in higher-risk common stocks or has a stated policy of maximum growth without regard to income or time horizons.

**Growth (GR)** - Pursues long-term growth via common stocks, usually with income as a secondary objective.

**Growth/Income (GI)** - Places equal emphasis on capital growth and current income or growth of income, mainly through investment in common stocks.

**Income (IN)** - Seeks income primarily through investment in common stocks. Growth may or may not be a secondary objective.

**Small Company (SC)** - Stated policy is to invest primarily in common stocks of companies with market capitalizations of less than \$1 billion.

### Specialty Equity

This category contains seven investment objectives:

**Energy/Natural Resources (EN)** - Stated policy is to invest at

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least 50% of assets in common stocks of energy and/or natural resources companies.

**Financial Services (FS)** - Stated policy is to invest at least 50% of assets in common stocks of financial services and related companies.

**Precious Metals (PM)** - Stated policy is to invest at least 50% of assets in gold and/or precious metals stocks or bullion.

**Health (HL)** - Stated policy is to invest at least 50% of assets in companies primarily engaged in health care and related businesses.

**Other (OT)** - Stated policy is to invest at least 50% of assets in stocks of companies in a specific sector for which no other category is defined.

**Real Estate (RE)** - Stated policy is to invest at least 50% of assets in stocks of companies in the real estate, real estate services, and REIT industries.

**Technology (TC)** - Stated policy is to invest at least 50% of assets in stocks of companies that develop or are expected to benefit from advanced technologies.

**Utilities (UT)** - Stated policy is to invest at least 50% of assets in utilities securities, including telephone or cable-television companies.

## **International Equity**

This category contains four investment objectives:

**European Stock (EU)** - Invests at least 50% of net assets in equity securities of European companies.

**Foreign Stock (FO)** - Invests at least 50% of assets in common stocks of non-U.S. companies.

**Global Stock (GL)** - Invests in common stocks of both U.S. and foreign companies.

**Pacific Stock (PB)** - Invests at least 50% of assets in equity securities of Pacific Basin (including Japanese) companies.

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## Partial Equity

This category contains four investment objectives:

**Asset Allocation (AA)** - Uses an optimization or asset allocation model to determine the most favorable allocation among asset classes, usually in pursuit of total return. Often exhibits characteristics similar to those of Balanced funds (see below).

**Balanced (BA)** - Committed to maintaining a balance between stocks and bonds. Must have a stated policy to invest at least 25% of assets in bonds at all times. Stated objectives must be growth, income, and preservation of capital.

**Convertible (CV)** - Invests mainly in actual or synthetic convertible securities. Objectives may range from growth to income.

**Flexible (FL)** - May invest in stocks, bonds, or cash to any degree, usually in pursuit of income or total return.

## Taxable Fixed Income

This category contains six investment objectives:

**Corporate High Yield (CH)** - Invests specifically in lower-rated corporate bonds in pursuit of high current income. Some have a secondary objective of growth.

**Corporate-High Quality (CG)** - Invests in high-quality corporate or a mix of corporate and government fixed-income securities in pursuit of current income.

**Diversified Bond (DB)** - Invests in a variety of bond sectors, including corporate, high yield, government, mortgage and foreign, typically in pursuit of total return as well as income.

**Government (GS)** - Invests at least 75% of assets in U.S. government and agency securities.

**Government Mortgage (GM)** - Invests at least 75% of assets in mortgage-backed securities such as GNMA, FNMA, and FHLMC issues.

**International Bond (IB)** - Invests in foreign and U.S. bonds or

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exclusively in foreign fixed-income securities in pursuit of current income.

### **Tax-Free Fixed Income**

This category contains four investment objectives:

**Municipal Bond (MB)** - Invests at least 75% of assets in municipal securities in pursuit of income that is exempt from federal income taxes.

**Municipal Single State (MS)** - Invests at least 75% of assets in municipal securities in pursuit of income that is exempt from federal and specific state income taxes.

**Municipal California (MC)** - Invests at least 75% of assets in municipal securities in pursuit of income that is exempt from both federal and California state income taxes.

**Municipal New York (MY)** - Invests at least 75% of assets in municipal securities in pursuit of income that is exempt from both federal and New York state income taxes.

### **Sub-Peer Groups**

Sub-peers are independent of the broader investment categories and objectives. A Sub-Peer of *Value*, for example, could apply to both a fund in the Small Company objective and a fund in the Growth/Income objective.

The following are all the objective codes (peer groups) into which funds in the Value Line Mutual Fund Survey are categorized. In addition, funds within many objective categories are further grouped into sub-peer groups of funds that share specific characteristics. Note that not all objective groups contain sub-peer groups, and that not all funds within an objective group will be included in any of that objective's sub-peer groups. Lastly, while most sub-peer groups exist within one objective group, the AG, GR, GI, IN, and SC objectives share 8 sub-peer groups (see below); i.e., funds in one of these sub-peer groups can be found in any of the aforementioned objectives.

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<b>Objective/ Peer</b>	<b>Sub-peer</b>	<b>Name</b>
AA		Asset Allocation
AA	GL	Asset Allocation Global
AG		Aggressive Growth
BA		Balanced
BA	GL	Balanced Global
CG		Corporate High Quality
CG	IT	Corporate High Quality Intmed Term
CG	ST	Corporate High Quality Short Term
CH		Corporate-High Yield
CH	IT	Corporate-High Yield Intermed Term
CH	ST	Corporate-High Yield Short Term
CV		Convertible
DB		Diversified Bond
DB	FO	Diversified Bond Foreign
DB	IT	Diversified Bond Intermediate Term
EN		Energy/Natural Res.
EU		European Equity
FL		Flexible
FO		Foreign Equity
FO	EM	Foreign Equity Emerging Markets
FO	LA	Foreign Equity Latin America
FS		Financial Services
GI		Growth/Income
GL		Global Equity
GM		Government-Mortgage
GM	AJ	Government-Mortgage Adjustable Rate
GM	IT	Government-Mortgage Intermed Term
GM	ST	Government-Mortgage Short Term
GR		Growth
GS		Government
GS	AJ	Government Adjustable Rate

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GS	IT	Government Intermediate Term
GS	ST	Government Short Term
HL		Health
IB		International Bond
IB	FO	International Bond Foreign
IB	GL	International Bond Global Bond
IB	ST	International Bond Short Term
IN		Income
MB		Muni National
MB	HY	Muni National High Yield
MB	IS	Muni National Insured
MB	IT	Muni National Intermediate Term
MB	LT	Muni National Long Term
MB	ST	Muni National Short Term
MC		Muni California
MC	HY	Muni California High Yield
MC	IS	Muni California Insured
MC	IT	Muni California Intermediate Term
MC	LT	Muni California Long Term
MC	ST	Muni California Short Term
MS		Muni Single State
MS	AL	Muni Single State Alabama
MS	AR	Muni Single State Arkansas
MS	AZ	Muni Single State Arizona
MS	CO	Muni Single State Colorado
MS	CT	Muni Single State Connecticut
MS	FL	Muni Single State Florida
MS	GA	Muni Single State Georgia
MS	HI	Muni Single State Hawaii
MS	IA	Muni Single State Iowa
MS	ID	Muni Single State Idaho
MS	IN	Muni Single State Indiana
MS	KS	Muni Single State Kansas

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MS	KY	Muni Single State Kentucky
MS	LA	Muni Single State Louisiana
MS	MA	Muni Single State Massachusetts
MS	MD	Muni Single State Maryland
MS	MI	Muni Single State Michigan
MS	MN	Muni Single State Minnesota
MS	MO	Muni Single State Missouri
MS	MS	Muni Single State Mississippi
MS	NC	Muni Single State North Carolina
MS	ND	Muni Single State North Dakota
MS	NE	Muni Single State Nebraska
MS	NH	Muni Single State New Hampshire
MS	NJ	Muni Single State New Jersey
MS	NM	Muni Single State New Mexico
MS	OH	Muni Single State Ohio
MS	OR	Muni Single State Oregon
MS	PA	Muni Single State Pennsylvania
MS	PR	Muni Single State Puerto Rico
MS	RI	Muni Single State Rhode Island
MS	SC	Muni Single State South Carolina
MS	TN	Muni Single State Tennessee
MS	TX	Muni Single State Texas
MS	UT	Muni Single State Utah
MS	VA	Muni Single State Virginia
MS	VT	Muni Single State Vermont
MS	WA	Muni Single State Washington
MS	WI	Muni Single State Wisconsin
MS	WV	Muni Single State West Virginia
MY		Muni New York
MY	IT	Muni New York Intermediate Term
MY	ST	Muni New York Short Term
OT		Other Specialty
PB		Pacific Equity

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PB	JP	Pacific Equity Japan
PB	NJ	Pacific Equity Non Japan
PM		Precious Metals
RE		Real Estate
SC		Small Company
TC		Technology
TC	GL	Technology Global
UT		Utilities
UT	GL	Utilities Global

The AG, GR, GI, IN, and SC objective codes all have the following sub-peer groups

GW	Growth
LB	Large Cap Blend
LG	Large Cap Growth
LV	Large Cap Value
SB	Small Cap Blend
SG	Small Cap Growth
SV	Small Cap Value
VL	Value