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## Buyback Standard Edition: Wednesday, Jun 1 2016 Performance and Trading Summary

June 1st, 2016

Dear Subscriber,

Here are last month's returns for the Buyback Letter portfolios and for their benchmarks, the S&P 500 and NASDAQ:

### Buyback Guided Portfolios

#### Performance vs. Benchmark for the Month Ending 5/31/2016

Portfolio	Monthly Gain	Benchmark Monthly Gain
5-Stock Buyback Dogs	-2.23%	S&P 500 1.53%
Buyback Income Index	4.64%	S&P 500 1.53%
20-Stock Buyback Index	-0.15%	S&P 500 1.53%
Buyback High-Tech	5.67%	NASDAQ 3.62%
Buyback Health & Bio-tech	1.96%	S&P 500 1.53%
<b>Average of all Buyback Portfolios:</b>	<b>1.98%</b>	
<b>S&amp;P 500:</b>	<b>1.53%</b>	
<b>Nasdaq:</b>	<b>3.62%</b>	

Our average portfolio gained 1.98% vs. a gain of 1.53% for the S&P 500 for the month of May 2016. We continue to be pleased with our long-term performance as all of our portfolios continued to beat their benchmarks by a wide margin since inception.

### Buyback Guided Portfolios

#### Historical Performance vs. Benchmark for the Month Ending 5/31/2016

Portfolio	Inception Date	Since Inception	Since Inception	Outperformance
5-Stock Buyback Dogs:	Mar-97	327.62%	S&P 500 161.47%	166.15%
Buyback Income Index:	Mar-97	540.37%	S&P 500 161.47%	378.90%
20-Stock Buyback Index:	Mar-97	733.12%	S&P 500 161.47%	571.65%
Buyback High-Tech:	Jan-00	48.39%	NASDAQ 20.80%	27.59%
Buyback Health & Bio-tech:	Dec-01	844.63%	S&P 500 80.62%	764.01%

Portfolio	Inception Date	Since Inception	Since Inception	Outperformance
Stock-Pickers Portfolio:	Jan-96	290.05%	S&P 500 98.38%	191.67%

Performance from 1/1/96 thru Closing 5/31/2008

We hope that all of our subscribers participate in these profits. We suggest the purchase of two or three portfolios; to insure proper diversification your combined portfolios should hold at least 20 stocks. Invest an equal dollar amount in each portfolio and then buy equal dollar amounts of each stock held in the model portfolios that you have selected.

## Buyback Guided Portfolios-Actions and Updates

### ***The Stock-Pickers Portfolio:***

If you are currently invested in the Stock-Pickers Portfolio, we advise selling those stocks at market, and consider purchasing two or three of our portfolios. The portfolios that you select should have a total of at least 20 stocks, which makes for a diversified investment. Commit an equal dollar amount to each portfolio, and then buy equal dollar amounts of each stock held in the model portfolios that you have selected. For example, you might choose our 20-stock Buyback Index®, a highly diversified portfolio of companies across the market. If you chose this option you would invest equal dollar amounts in all 20 stocks. Or try a combination of the 5-stock Buyback Dogs® portfolio, the 5-stock Buyback High-Tech Portfolio® and the 10-stock Buyback Income Index®, which would also give you 20 different stocks. (If you choose this option, you would invest 3.3% of your funds in each stock in the 10-stock Buyback Income Index®, while placing 6.6% of your funds in each stock in the 5-stock Buyback Dogs® portfolio and 6.6% of your funds in each stock in the 5-stock Buyback High-Tech Portfolio®.)

We have closed out 93 positions in the Stock-Pickers Portfolio since we began publishing The Buyback Letter. Of these 93 trades (prior to closing the portfolio), 75 were profitable. The average profit for the winning trades was 89.90%! The average loss for the 18 losing trades was 40.78%. You can review this history in the closed position section of the Stock-Pickers Portfolio until the end of June.

***The Stock-Pickers Portfolio® is up 290.05% since its inception in January 1996 vs. an 98.38% in the S&P 500 as of close of Portfolio – 5/31/2008***

### **Stock-Pickers Portfolio Changes: - Hot Line #598 - dated 6/3/2008**

If you are currently invested in the Stock-Pickers Portfolio, we advise selling those stocks at market, and consider purchasing two or three of our portfolios. The portfolios that you select should have a total of at least 20 stocks, which makes for a diversified investment. Commit an equal dollar amount to each portfolio, and then buy equal dollar amounts of each stock held in the model portfolios that you have selected. For example, you might choose our 20-stock Buyback Index®, a highly diversified portfolio of companies across the market. If you chose this option you would invest equal dollar amounts in all 20 stocks. Or try a combination of the 5-stock Buyback Dogs® portfolio, the 5-stock Buyback High-Tech Portfolio® and the 10-stock Buyback Income Index®, which would also give you 20 different stocks. (If you choose this option, you would invest 3.3% of your funds in each stock in the 10-stock Buyback Income Index®, while placing 6.6% of your funds in each stock in the 5-stock Buyback Dogs® portfolio and 6.6% of your funds in each stock in the 5-stock Buyback High-Tech Portfolio®.)

***The 5-stock Buyback Dogs portfolio is up 327.62% since inception (3/5/97), vs. a gain of 161.47% in the S&P 500 over the same time frame.***

### **Buyback Dogs Portfolio Changes:**

There are no changes to this portfolio this month.

This will bring us back to 5 positions (100% invested) in this portfolio.

Current holdings are : **BA, TRV, MCD, UTX & GE**

***The 10-stock Buyback Income Index® Portfolio is up 540.37% since inception (3/5/97) vs. a gain of 161.47% in the S&P 500 over the same time frame.***

### **Buyback 10-Stock Income Index Portfolio Changes:**

There are no changes to this portfolio this month.

#### **\*\* NOTE: - KLAC Merger**

The Merger:

Individual Share Elections Within the terms of the Merger, individual KLAC Shareholders may: - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus \$32.00 cash per each KLAC Common Share (Mixed Election). OR, - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus a number of LRCX Common Shares equal to \$32.00 in value per each existing KLAC Common Share, calculated as described in the KLAC/LRCX Proxy Statement/Prospectus dated January 13, 2016 ("Proxy") (Share Election). Share Elections are subject to proration. Cash will be paid in lieu of fractional shares. OR, - Elect to receive \$32.00 in cash plus a cash amount equal to 0.5 times the volume-weighted average price of a LRCX common share, calculated as described in the Proxy (Cash Election). Cash Elections are subject to proration. OR, - Register no preference by not making an election (Non-electing). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Mixed Election.

This will bring us back to 10 positions (100% invested) in this portfolio.

Current holdings are : **AGNC, CA, CY, DNKN, LPLA, NAVI, NTAP, QCOM, STX & WAFD**

**The 20-Stock Buyback Index Portfolio is up 733.12% since inception (3/5/97), vs. a gain of 161.47% in the S&P 500 since that date.**

### **20-Stock Buyback Index Portfolio Changes:**

#### **In Hot Line #898 - dtd 5/11/2016, we advised you of the following trades:**

Community Health Systems' ([CYH](#)) board of directors [gave the formal go ahead](#) to the [spinoff of its regional hospital network](#), Quorum Health ([QHC](#)). CYH shareholders as of April 22nd should receive one share of Quorum for every 4 CYH shares owned. The new company will trade under the ticker 'QHC'.

We are advising our subscribers to sell the spinoff shares of QHC and use the proceeds to buy more shares of CYH.

We will continue to hold 17 positions (95.20% invested & 4.8% in cash) in this portfolio.

Current holdings are : **ABT, AEO, ASAZY, BRCD, CY, CYH, FIG, GRPN, HMSY, IMASY, ISBC, MASI, NBR, PDCO, WEN, XRX & ZNGA**

## **Sector Portfolios-Actions and Updates**

### **Buyback High-Tech Index Portfolio@:**

This is a high-risk/high-return portfolio with monthly turnover. We expect good results accompanied by lots of volatility, so invest accordingly. This portfolio will be made up of three to five stocks at a given time. We advise you to start this portfolio by investing a lump sum that you are comfortable with.

**The Buyback High-Tech Index@ has gained 48.39% Since its inception (1/3/2001) vs. a 20.80% gain in its benchmark, the NASDAQ.**

### **Buyback High-Tech Index Portfolio Changes:**

There are no changes to this portfolio this month.

#### **\*\* NOTE: - KLAC Merger**

The Merger:

Individual Share Elections Within the terms of the Merger, individual KLAC Shareholders may: - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus \$32.00 cash per each KLAC Common Share (Mixed Election). OR, - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus a number of LRCX Common Shares equal to \$32.00 in value per each existing KLAC Common Share, calculated as described in the KLAC/LRCX Proxy

Statement/Prospectus dated January 13, 2016 ("Proxy") (Share Election). Share Elections are subject to proration. Cash will be paid in lieu of fractional shares. OR, - Elect to receive \$32.00 in cash plus a cash amount equal to 0.5 times the volume-weighted average price of a LRCX common share, calculated as described in the Proxy (Cash Election). Cash Elections are subject to proration. OR, - Register no preference by not making an election (Non-electing). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Mixed Election.

We will continue to hold 5 positions (100% invested) in this portfolio.

Current holdings are : **QCOM, STX, CA, CY & PBI**

***Buyback Health and Bio-Tech Index@:***

This is a high-risk/high-return portfolio with monthly turnover. We expect good results accompanied by lots of volatility, so invest accordingly. This portfolio will be made up of three to five stocks at a given time. We advise you to start this portfolio by investing a lump sum that you are comfortable with and buy equal dollar amounts of each stock in the portfolio.

***The Buyback Health and Bio-Tech Portfolio is up 844.63% since inception (12/28/2001) vs. a 80.62% gain for the S&P 500 since that time.***

**Buyback Health & Bio-Tech Sector Portfolio Changes:**

**In Hot Line #898 - dtd 5/11/2016, we advised you of the following trades:**

Community Health Systems' ([CYH](#)) board of directors [gave the formal go ahead](#) to the [spinoff of its regional hospital network](#), Quorum Health ([QHC](#)). CYH shareholders as of April 22nd should receive one share of Quorum for every 4 CYH shares owned. The new company will trade under the ticker 'QHC'.

We are advising our subscribers to sell the spinoff shares of QHC and use the proceeds to buy more shares of CYH.

We will continue to hold 5 positions (100% invested) in this portfolio.

Current holdings are : **HMSY, MASI, ABT, CYH & PDCO**

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## **Sentiment Update**

Sentiment registered an average reading of 191.36 for the month of May 2016. We add the total bullish percentage readings of Investors Intelligence, Consensus Index, AAI Index and Market Vane and average this figure for the month. We consider an average reading of more than 200 to be negative while readings of less than 150 are positive. Readings over 240 have marked market highs over the past few years while readings of about 130 or below have marked market bottoms. Continue to dollar cost average into the various Buyback Letter Portfolios. **We are now advising subscribers to invest 75% of your normal contribution of new investable funds. This is for new dollars available to invest within a framework of regular contributions. If you have built up funds over the recent time frame the opportunity to deploy those funds may present itself over the next few months.** We urge you to follow the instructions for each portfolio and stay diversified!

Our sentiment indicator is an inverse indicator, so the lower the score is, the higher the reading. An average reading of more than 200 is considered negative and warrants a cautious approach. Readings of 240 or more have signaled market highs over the past few years, while readings of 130 or so have shown market lows for the past few years. We use the sentiment indicator as a guide for investing new funds into the market, not as a timing tool to exit or double up on stocks. When sentiment tells us the market may be at or near a low, we consider that a buying opportunity for the investment of new money. Conversely, when sentiment indicates a market peak, we will take a more cautious approach to the investment of new money.

Thank you for using The Buyback Letter as a tool for your investment decisions. And remember, invest for the future—it will be here before you know it.

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*"Stock buybacks are the  
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## Buyback Standard Edition: Wednesday, Jun 1 2016 Buyback Value Portfolios

These portfolios are presented to you for the purpose of investing a lump sum of money. You can start following the portfolio of your choice at any time by either investing an equal dollar amount in each stock in your chosen portfolio or investing in the exact proportion represented in each portfolio (*additional contributions may be added in the same fashion*). **The portfolios are updated at the beginning of each month.** These portfolios represent actual portfolios maintained by The Buyback Letter and housed at Charles Schwab. The accounts were opened on 3/5/97. The S&P 500 closed trading that day at 801.99, The Dow Jones Industrials closed at 6946. These portfolios are selected via our proprietary "rules based" strategy and are always fully invested. If you invest in more than one portfolio we suggest that you invest equal dollars in each portfolio. When starting to invest in the three "Value Index Portfolios" please be mindful that these portfolios change on a regular basis. In the 5-stock Buyback-Dogs® portfolio changes are made, if needed, at the beginning of each month. In the 10-stock Buyback Income Index® changes are made as needed on an ongoing basis. Changes are made at the beginning of each quarter for the 20-stock Buyback Index® portfolio. We suggest that you invest in more than one Buyback Letter portfolio and that you invest an equal dollar amount in each portfolio. From time to time money is moved into or out of these accounts based on the editor's financial needs. However it is moved in proportional fashion and results are presented as if no cash had been deposited or withdrawn.

### Buyback Dogs Portfolio

#### Buyback Dogs Portfolio at a Glance

Inception	3/5/1997
Original Investment	\$20,000.00
Month End Value	\$85,524.60
Prior Month End Value	\$87,475.00
Last month return	-2.23%
Year End Value 12/31/15	\$89,140.20
YTD	-4.06%
Return Since Inception	327.62%

Company	Symbol	Shares	Month End Price	Value
Boeing Co	BA	120	126.15	15,138.00
General Electric	GE	530	30.23	16,021.90
Mc Donalds Corp	MCD	160	122.06	19,529.60
Travelers Co Inc	TRV	160	114.14	18,262.40
United Tech Corp	UTX	160	100.58	16,092.80
Cash 0%		479.9	1	479.90
			05/31/2016	85,524.60

## Buyback Dogs VS S&P 500 Annual Performance Summary

	Buyback Dogs	S&P 500
3/5/1997-12/31/1997	18.00%	20.94%
1998	35.05%	26.70%
1999	9.65%	19.53%
2000	43.86%	-10.10%
2001	-13.49%	-13.03%
2002	-20.56%	-23.34%
2003	34.34%	26.36%
2004	19.12%	8.99%
2005	-3.82%	2.97%
2006	25.29%	13.63%
2007	6.75%	3.52%
2008	-27.79%	-38.48%
2009	4.67%	23.49%
2010	6.45%	12.79%
2011	1.02%	0.00%
2012	5.36%	13.40%
2013	20.51%	29.60%
2014	10.45%	11.39%
2015	9.82%	-0.73%
YTD 2016	-4.06%	2.59%
Gain Since Inception	327.62%	161.47%

## Buyback Dogs, S&P 500 and DJIA Comparison Values:

Comparison Values	03/05/1997	5/31/2016	Change
Buyback Dogs	20,000	85,525	327.62%
DJIA	6,946	17,787	156.08%
S&P 500	802	2096.96	161.47%

### 5 -Stock Buyback Dogs Trading Update:

There are no changes to this portfolio this month.

This will bring us back to 5 positions (100% invested) in this portfolio.

Current holdings are : **BA, TRV, MCD, UTX & GE**

The Buyback Dogs™ portfolio was started on 3/5/97 by purchasing 5 stocks in equal dollar amounts totaling \$20,000. This portfolio is based on our proprietary research and quantitative analysis. From 1983 through 1996 this approach averaged 28.79% in annual appreciation. Past performance is no guarantee of future results.

## Buyback Income Index Portfolio

### Buyback Income Index Portfolio at a Glance

<b>Inception</b>	<b>3/5/1997</b>
<b>Original Investment</b>	<b>\$80,000.00</b>
<b>Month End Value</b>	<b>\$512,296.05</b>
<b>Prior Month End Value</b>	<b>\$489,564.49</b>
<b>Last month return</b>	<b>4.64%</b>
<b>Year End Value 12/31/15</b>	<b>\$473,647.13</b>
<b>YTD</b>	<b>8.16%</b>
<b>Return Since Inception</b>	<b>540.37%</b>

<b>Company</b>	<b>Symbol</b>	<b>Shares</b>	<b>Month End Price</b>	<b>Value</b>
American Capital	AGNC	2013	\$18.890	38,025.57
CA Inc	CA	1721	\$32.320	55,622.72
Cypress Semiconductor	CY	4519	10.63	48,036.97
Dunkin Brand Grp	DNKN	890	\$43.290	38,528.10
KLA Tencor Corp	KLAC	709	\$71.920	50,991.28
LPL Financial	LPLA	1599	\$27.890	44,596.11
Navient Corp	NAVI	4247	\$13.710	58,226.37
Netapp Inc	NTAP	1897	\$25.530	48,430.41
Qualcomm Inc	QCOM	975	\$54.920	53,547.00
Seagate Tech	STX	1360	\$22.560	30,681.60
Washington Federal	WAFD	1678	\$24.990	41,933.22
Cash		3,677		3,676.70
			05/31/2016	\$512,296.05

#### Buyback Income Index VS S&P 500 Annual Performance Summary:

	<b>Buyback Income</b>	<b>S&amp;P 500</b>
<b>3/5/1997-12/31/1997</b>	<b>22.86%</b>	<b>20.94%</b>
<b>1998</b>	<b>19.36%</b>	<b>26.70%</b>
<b>1999</b>	<b>-1.25%</b>	<b>19.53%</b>
<b>2000</b>	<b>1.61%</b>	<b>-10.10%</b>
<b>2001</b>	<b>-6.78%</b>	<b>-13.03%</b>
<b>2002</b>	<b>-4.93%</b>	<b>-23.34%</b>
<b>2003</b>	<b>31.79%</b>	<b>26.36%</b>
<b>2004</b>	<b>19.53%</b>	<b>8.99%</b>
<b>2005</b>	<b>5.38%</b>	<b>2.97%</b>
<b>2006</b>	<b>26.90%</b>	<b>13.63%</b>
<b>2007</b>	<b>9.75%</b>	<b>3.52%</b>
<b>2008</b>	<b>-36.34%</b>	<b>-38.48%</b>
<b>2009</b>	<b>40.10%</b>	<b>23.49%</b>
<b>2010</b>	<b>18.71%</b>	<b>12.79%</b>



2011	5.02%	0.00%
2012	23.65%	13.40%
2013	40.72%	29.60%
2014	9.41%	11.39%
2015	-7.22%	-0.73%
YTD 2016	8.16%	2.59%
Gain Since Inception	540.37%	161.47%

#### Buyback Income Index, S&P 500 and DJIA Comparison Values:

Comparison Values	03/05/1997	5/31/2016	Change
Buyback Income Index	80,000	512,296	540.37%
DJIA	6,946	17,787	156.08%
S&P 500	802	2096.96	161.47%

#### 10-Stock Buyback Income Index Portfolio Changes:

There are no changes to this portfolio this month

#### **\*\* NOTE: - KLAC Merger**

The Merger:

Individual Share Elections Within the terms of the Merger, individual KLAC Shareholders may: - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus \$32.00 cash per each KLAC Common Share (Mixed Election). OR, - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus a number of LRCX Common Shares equal to \$32.00 in value per each existing KLAC Common Share, calculated as described in the KLAC/LRCX Proxy Statement/Prospectus dated January 13, 2016 ("Proxy") (Share Election). Share Elections are subject to proration. Cash will be paid in lieu of fractional shares. OR, - Elect to receive \$32.00 in cash plus a cash amount equal to 0.5 times the volume-weighted average price of a LRCX common share, calculated as described in the Proxy (Cash Election). Cash Elections are subject to proration. OR, - Register no preference by not making an election (Non-electing). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Mixed Election. We will still hold onto KLAC until the merger settles.

This will bring us back to 10 positions (100% invested) in this portfolio.

Current holdings are : **AGNC, CA, CY, DNKN, LPLA, NAVI, NTAP, QCOM, STX & WAFD**

The Buyback Income Index was originally named The Buyback Fund™. It was started on 3/5/97 by purchasing 20 stocks in equal dollar amounts totaling \$80,000. On January 7, 1999 we changed the number of stocks from 20 to 10. On January 1st 2001 we changed the name of this portfolio to The Buyback Index Income Fund. This portfolio is based on our proprietary research and quantitative analysis. From 1983 through 1996 this approach averaged 26.13% in annual appreciation. Past performance is no guarantee of future results.

## Buyback Index Portfolio

#### Buyback Index® Portfolio at a Glance

Inception	3/5/1997
Original Investment	\$90,000.00
Month End Value	\$749,811.06
Prior Month End Value	\$750,950.62

Last month return	-0.15%
Year End Value 12/31/15	\$721,277.70
YTD	3.96%
Return Since Inception	733.12%

Company	Symbol	Shares	Month End Price	Value
Abbott lab	ABT	1,093	\$39.63	43,315.59
Amern Eagle Outfits	AEO	2861	\$15.64	44,746.04
Assa Abloy AB ADR	ASAZY	4775	\$10.34	49,349.63
Brocade Communs Sys	BRCDD	4799	\$9.06	43,478.94
Cypress Semiconductor	CY	5430	\$10.63	57,720.90
Comm Health Sys	CYH	2937	\$13.44	39,473.28
Fortress Invt Gp	FIG	9868	\$5.05	49,833.40
Groupon Inc	GRPN	11503	\$3.54	40,720.62
HMS Hldgs Corp	HMSY	2787	\$16.53	46,055.18
Inmarsat PLC	IMASY	3213	\$10.59	34,025.67
Investor Bancorp Inc	ISBC	2919	\$11.97	34,940.43
Masimo Corp	MASI	910	\$49.74	45,263.40
Nabors Industies	NBR	5299	\$9.40	49,810.60
Patterson Co	PDCO	1019	\$48.81	49,737.39
Wendys Intl Inc	WEN	3463	\$10.28	35,599.64
Xerox Corp	XRX	3457	\$9.97	34,466.29
Zynga Inc	ZNGA	19951	\$2.57	51,274.07
			05/31/2016	\$749,811.06

#### Buyback Index® VS S&P 500 Annual Performance Summary:

	Buyback Index	S&P 500
3/5/1997-12/31/1997	22.83%	20.94%
1998	17.52%	26.70%
1999	14.86%	19.53%
2000	41.13%	-10.10%
2001	6.14%	-13.03%
2002	1.10%	-23.34%
2003	34.74%	26.36%
2004	35.17%	8.99%
2005	18.08%	2.97%
2006	17.54%	13.63%
2007	5.18%	3.52%
2008	-39.21%	-38.48%
2009	22.87%	23.49%
2010	16.27%	12.79%
2011	-12.54%	00.00%
2012	8.80%	13.40%

2013	47.19%	29.60%
2014	4.69%	11.39%
2015	-2.12%	-0.73%
YTD 2016	3.96%	2.59%
Gain Since Inception	733.12%	161.47%

#### Buyback Index®, S&P 500 and DJIA Comparison Values:

Comparison Values	03/05/1997	5/31/2016	Change
Buyback Index	90,000	749,811	733.12%
DJIA	6,946	17,787	156.08%
S&P 500	802	2096.96	161.47%

#### 20-Stock Buyback Index Portfolio Changes:

##### In Hot Line #898 - dtd 5/11/2016, we advised you of the following trades:

Community Health Systems' (CYH) board of directors [gave the formal go ahead](#) to the [spinoff of its regional hospital network](#), Quorum Health (QHC). CYH shareholders as of April 22nd should receive one share of Quorum for every 4 CYH shares owned. The new company will trade under the ticker 'QHC'.

We are advising our subscribers to sell the spinoff shares of QHC and use the proceeds to buy more shares of CYH.

We will continue to hold 17 positions (95.20% invested & 4.8% in cash) in this portfolio.

Current holdings are : **ABT, AEO, ASAZY, BRCD, CY, CYH, FIG, GRPN, HMSY, IMASY, ISBC, MASI, NBR, PDCO, WEN, XRX & ZNGA**

The Buyback Index portfolio was started on 3/5/97 by purchasing 30 stocks in equal dollar amounts totaling \$90,000. On January 7, 1999 we changed the number of stocks in the portfolio from 30 to 20. This portfolio is based on our proprietary research and quantitative analysis. From 1981 through 1996 this approach averaged 22.9% in annual appreciation. Past performance is no guarantee of future results.

#### The Buyback Indexes Compared with Other Market Indexes

Comparison Values	03/05/1997	5/31/2016	Change
Buyback Dogs	20,000	85,525	327.62%
Buyback Income Index	80,000	512,296	540.37%
Buyback Index	90,000	749,811	733.12%
DJIA	6,946	17,787	156.08%
S&P 500	802	2,097	161.47%

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## Buyback Standard Edition: Wednesday, Jun 1 2016 Buyback Sector Portfolios

### Buyback High-Tech Index Portfolio

These portfolios are presented to you for the purpose of investing a lump sum of money or to dollar cost average over time. You can start at any time by either investing an equal dollar amount in each stock in your chosen portfolio or investing in the exact proportion represented (*additional contributions may be added in the same fashion*). ***This portfolio is updated at the beginning of each month.*** These portfolios represent hypothetical portfolios. The editor purchases a few shares of each stock for tracking purposes. The total return figures ignore both dividends earned and commissions paid. These portfolios are selected via our proprietary "rules based" strategy and are always fully invested. We suggest that you invest in more than one Buyback Letter portfolio and that you invest an equal dollar amount in each portfolio. When starting to invest in the "Buyback High-Tech Portfolio" or the "Buyback Health & Bio-Tech Portfolio" please is mindful that this portfolio changes on a quarterly basis.

#### Buyback High-Tech Index Portfolio at a Glance

Inception	1/3/2000
Original Investment	\$50,000.00
Month End Value	\$74,193.20
Prior Month End Value	\$70,214.60
Last month return	5.67%
Year End Value 12/31/15	\$72,105.85
YTD	2.89%
Return Since Inception	48.39%

Company	Symbol	Shares	Month End Price	Value
CA Inc	CA	500	32.32	16,160.00
Cypress Semiconductor	CY	1760	10.63	18,708.80
KLA Tencor Corp	KLAC	200	71.92	14,384.00
Pitney Bowes Inc	PBI	680	18.63	12,668.40
Qualcomn Inc	QCOM	270	54.92	14,828.40
Seagate Tec	STX	340	22.56	7,670.40
Cash			-10226.8	-10,226.80
			05/31/2016	74,193.20

**Buyback High-Tech Index Portfolio VS NASDAQ Annual Performance Summary**

	Buyback High-Tech Index	NASDAQ
1/3/2000-12/31/2000	-9.12%	-39.69%
2001	43.71%	-21.04%
2002	-1.31%	-31.49%
2003	26.25%	-49.92%
2004	-9.56%	8.59%
2005	6.26%	1.38%
2006	2.48%	9.53%
2007	-4.76%	9.81%
2008	-42.74%	-40.53%
2009	53.28%	43.89%
2010	27.80%	16.91%
2011	-33.28%	-1.80%
2012	24.04%	15.90%
2013	13.74%	38.32%
2014	7.87%	13.40%
2015	-13.67%	5.73%
YTD 2016	5.67%	-1.19%
Gain Since Inception	48.39%	20.80%

**The Buyback High-Tech Index Compared with Other Market Indexes:**

Comparison Values	01/03/2000	5/31/2016	Change
High-Tech Index	50,000	74,193	48.39%
NASDAQ	4,096	4,948	20.80%
DJIA	11,144	17,787	59.61%
S&P 500	1427	2096.96	46.95%

**Buyback High-Tech Index Portfolio Changes:**

There are no changes to this portfolio this month

**\*\* NOTE: - KLAC Merger**

The Merger:

Individual Share Elections Within the terms of the Merger, individual KLAC Shareholders may: - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus \$32.00 cash per each KLAC Common Share (Mixed Election). OR, - Elect to receive 0.5 Lam Research Corporation (LRCX) Common Shares plus a number of LRCX Common Shares equal to \$32.00 in value per each existing KLAC Common Share, calculated as described in the KLAC/LRCX Proxy Statement/Prospectus dated January 13, 2016 ("Proxy") (Share Election). Share Elections are subject to proration. Cash will be paid in lieu of fractional shares. OR, - Elect to receive \$32.00 in cash plus a cash amount equal to 0.5 times the volume-weighted average price of a LRCX common share, calculated as described in the Proxy (Cash Election). Cash Elections are subject to proration. OR, - Register no preference by not making an election (Non-electing). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Mixed Election.

We will continue to hold 5 positions (100% invested) in this portfolio.

Current holdings are : **QCOM, STX, CA, CY & PBI**

We introduced on January 3rd 2000 the "Buyback High-Tech Index Portfolio". We advised you to start this portfolio by investing a lump sum that you are comfortable with to buy equal dollar amounts of the following 3-stocks: IMN, ADBE and ADPT. We purchased 119 shares of Adaptec (ADPT-Cost including commission \$6664.25), 101 shares of Adobe (ADBE-Cost including commission \$6632.88) and 206 shares of Imitation (IMN-Cost including commission \$6686.38). The total cost was \$19,983.51. On February 2nd 2000 we contributed an additional 30,016.49 for a total contribution of \$50,000.

The NASDAQ had a value of 4131 at the close of trading on January 3rd and a value of 4073 at the close of trading on February 2nd 2000. The weighted average (40% weighted for the January contribution and 60% weighted for the February contribution) of the NASDAQ for these dates is 4096. The Dow Jones and S&P 500 comparisons are calculated in similar fashion. We back-tested this strategy from 1988 through 1998. During that time this approach averaged 35.5% in annual appreciation. Past performance is no guarantee of future results.

## Buyback Health & Bio-Tech Sector Portfolio

### 5/31/2016

These portfolios are presented to you for the purpose of investing a lump sum of money or to dollar cost average over time. You can start at any time by either investing an equal dollar amount in each stock in your chosen portfolio or investing in the exact proportion represented (*additional contributions may be added in the same fashion*). **This portfolio is updated at the beginning of each month.** This portfolio represents a portfolio maintained by The Buyback Letter at Charles Schwab. The portfolio contains a few shares of each stock for tracking purposes. The figures presented represent a hypothetical initial investment of \$25,000. This account was opened on 12/28/2001. The total return figures do not include dividends earned and commissions paid. This portfolio is selected via our proprietary "rules based" strategy and is always fully invested. We suggest that you invest in more than one Buyback Letter portfolio and that you invest an equal dollar amount in each portfolio. When starting to invest in the "Buyback Health and Biotech Portfolio" please be mindful that this portfolio changes on a quarterly basis.

#### Buyback Health & Bio-Tech Sector Portfolio at a Glance

Inception	12/28/2001
Original Investment	\$25,000.00
Month End Value	\$236,156.85
Prior Month End Value	\$231,606.37
Last month return	1.96%
Year End Value 12/31/15	\$240,435.34
YTD	-1.78%
Return Since Inception	844.63%

Company	Symbol	Shares	Month End Price	Value
HMS Hldgs	HMSY	3624	16.525	59887
Masimo Corp	MASI	1189	49.74	59141
Abbott Lab	ABT	965	39.63	38243
Comm Health Sys	CYH	2601	13.44	34957
Patterson Co	PDCO	900	48.81	43929
			05/31/2016	\$236,156.85

**Buyback Health & Bio-Tech Portfolio vs. S&P 500 Annual Performance Summary**

	Health & Bio Index	S&P 500
12/28/2001-12/31/2001	1.91%	-1.12%
2002	13.21%	-23.34%
2003	69.42%	26.36%
2004	40.33%	8.99%
2005	32.16%	2.97%
2006	19.02%	13.63%
2007	-1.93%	3.52%
2008	-39.01%	-38.48%
2009	26.42%	23.49%
2010	7.10%	12.79%
2011	14.94%	0.00%
2012	36.39%	13.40%
2013	19.64%	29.60%
2014	26.18%	11.39%
2015	16.33%	-0.73%
YTD 2016	-1.78%	2.59%
<b>Gain Since Inception</b>	<b>844.63%</b>	<b>80.62%</b>

**The Buyback Health & Bio-Tech Index Compared with Other Market Indexes**

Comparison Values	12/28/2001	5/31/2016	Change
Health-Bio Index	25,000	236,157	844.63%
S&P 500	1161	2096.96	80.62%

**Buyback Health & Bio-Tech Sector Portfolio Changes:****In Hot Line #898 - dtd 5/11/2016, we advised you of the following trades:**

Community Health Systems' ([CYH](#)) board of directors [gave the formal go ahead](#) to the [spinoff of its regional hospital network](#), Quorum Health ([QHC](#)). CYH shareholders as of April 22nd should receive one share of Quorum for every 4 CYH shares owned. The new company will trade under the ticker 'QHC'.

We are advising our subscribers to sell the spinoff shares of QHC and use the proceeds to buy more shares of CYH.

We will continue to hold 5 positions (100% invested) in this portfolio.

Current holdings are : **HMSY, MASI, ABT, CYH & PDCO**

We introduced the "Buyback Health and Biotech Portfolio" on December 28, 2002. We advised you to start this portfolio by investing a lump sum that you are comfortable with to buy equal dollar amounts of the following 5-stocks: **SNY, CI, ZMH, AET & HNT**



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