**Cincinnati Model Investment Club Minutes**

West Chester Mid-Pointe Library – March 25, 2017

**Call to Order:** Acting Presiding Partner Dene Alden called the meeting to order at 9:45 AM. ***Guests on webinar:*** Dan Kuhl, Henrietta Goolsby ***Guests in person:*** Nelson Page, John Yates, Jonathan Moore

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Here** | **Proxy** | **Name** | **Here** | **Proxy** |
| Jackie Koski | X |  | Harrison Baumbaugh | X |  |
| Ian Barnes, Education Partner | web |  | Mary Thomas | X |  |
| Betsy Eller, Financial Partner | X |  | Cliff Turrell, Presiding Partner | --- | withdrew |
| Craig Jacobsen | web |  | Larry Averbeck | web |  |
| Marty Eckerle | web |  | Mike Griffin | X |  |
| Gerry Geverdt | X |  | Frank Bicknell | --- | Michele |
| Dene Alden | X |  | Michele Grinoch | X |  |
| Latisha Douglas | X |  | Kate Lester | X |  |
| Richard Alden, Recording Partner | X |  | Rochelle Bankhead | --- | withdrew |
| Gregg Hopkins | web |  |  |  |  |

Note: Parentheses denote provisional presence or proxies should members not be present for the full meeting

**Recording Partner’s Report:** Minutes of the February meeting were approved and posted.

**Financial Partner’s Report:**

* Cash balance of $2,724.55 net of Cliff’s estimated payout. Rochelle’s payout had not been calculated. The $1,725 limit order for 25sh of TSCO @$69.00/sh was exercised.
* Form 1065 federal taxes were filed before March 15, as required. K-1 are available on the bivio web site.
* Betsy submitted a request for $13.68 for postage. Latisha/Mike moved to reimburse her, motion passed.
* The Financial Partner’s Report will be filed for audit.

**Announcements:**

* A preliminary list of BINC 2017 classes was available at the meeting. Latisha noted that the final list will be available in early April. BINC will be held in Cincinnati May 18-21.

**Old Business:**

* Manifest has subscriptions for 17 members
* CinMIC will celebrate its 15th anniversary in October. Dene proposed that we have a celebratory meeting in place of our Christmas event to avoid holiday events. Latisha and Jackie will be co-chairs with Michele as a third committee member.

**New Business:**

* Both Cliff Turrell and Rochelle Bankhead submitted written letters of resignation from CinMIC. Their share valuation and payout will be determined and paid in accordance with the Partnership Agreement. Valuation will be as of the close of business on Apr 7.
* Dene Alden volunteered to assume the role of Presiding Partner. A unanimous vote confirmed her for the role.
* Rochelle/Michele moved that the May meeting be held on May 6, the normal mid-month meeting date, since BINC conflicts with the regular meeting date. Unanimously approved. There will be no May mid-month meeting.
* Dene proposed we have no April min-month meeting due to everyone’s busy spring schedule. Unanimously approved.

**New Stock Presentation:** Nelson Page presented Hanesbrands (HBI) for his membership

* Hanes has its origins in two early 20th century companies that produced knitted goods and hosiery. Following a merger in the 1960s and a hostile takeover/divestiture by Sarah Lee, Hanesbrands emerged as a major supplier of innerwear and activewear.
* Business segments include: Innerwear (46%), activewear (27%), direct-to-consumer (7%) and international (20%). International and direct sales are major growth areas.
* HBI both manufactures and contracts for its products. Raw material is largely higher grade US-grown subsidized cotton which is shipped to offshore manufacturing facilities.
* Weaknesses: Walmart and Target account for 52% of sales; no long-term contracts; high debt (US$ and Au$)
* Threats: Decline in the US$, cotton commodity cost (increased use of synthetic materials); potential negative publicity concerning their manufacturing operations and labor in foreign countries.
* Nelson used a conservative 3.7% sales growth estimate but noted that:
  + HBI started paying a dividend in 2013 and has increased it since then. The dividend may not be sustainable in view of increasing debt.
  + Debt and goodwill have risen sharply in recent years, largely due to brand acquisitions in Europe and Australia.
  + HBI is in the buy zone with the stock price near the low end of its recent price range. U/D ration of 7.9
* Members voted unanimously to accept Nelson as its newest member.

**Education:** Due to internet connectivity and Citrix issues, the education segment was not presented. The Stock Up seminar will resume at the next meeting.

**Portfolio Review:**

Marty presented “CinMIC Portfolio Analysis – Close of the Bell report 170324”, a comparison of the current CinMIC portfolio to the Manifest Investing ratings for each stock combined with the watcher recommendations and George Nicholson’s Triple Play criteria. A copy of the edited report appears below.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **# of Shares** | **% of Portfolio** | **Year End** | | **Next Earnings Report:** |
| Apple | AAPL | Jackie | Hold | Hold | 95 | 8.3 | Sep. | | 4/30/17 |
| C. H. Robinson | CHRW | Larry | Hold | Hold | 185 | 9.0 | Dec | | 4/25/17 |
| Casey's | CASY | Cliff | Sell All | Hold | 70 | 4.9 | Apr | | 3/6/17 |
| Cerner | CERN | Gregg | Hold | Hold | 60 | 2.1 | Dec | | 5/4/17 |
| Cognizant | CTSH | Mike | Hold | Hold | 200 | 7.3 | Dec | | 5/4/17 |
| CVS Health | CVS | Latisha | Buy | Buy | 100 | 4.9 | Dec | | 5/2/17 |
| Danaher | DHR | Harrison | Hold | Hold | 110 | 5.9 | Dec | | 4/20/17 |
| Fastenal | FAST | Rich | Hold | Hold | 250 | 8.0 | Dec | | 4/11/17 |
| Gilead | GILD | Kate | Hold | Buy | 130 | 5.5 | Dec | | 4/27/17 |
| LKQ Corp | LKQ | Frank | Hold | Buy | 375 | 6.9 | Dec | | 2/23/17 |
| Michael Kors | KORS | Rochelle | Sell | Buy | 20 | .5 | Apr | | 2/8/17 |
| Novo Nordisk | NVO | Ian | Hold | Hold | 200 | 4.2 | Dec | | N/A |
| Polaris | PII | Dene | Buy 10 below 85 | Buy | 65 | 3.4 | Dec | | 4/20/17 |
| Schlumberger | SLB | Mary | Hold | Hold | 140 | 6.9 | Dec | | 4/20/17 |
| Signature Bk | SBNY | Craig | Hold | Hold | 110 | 10.1 | Dec | | 4/20/17 |
| Starbucks | SBUX | Gerry | Buy 20 sh @ Win. | Buy | 40 | 1.4 | Sep | | 4/27/17 |
| Tractor Supply | TSCO | TBD | Limit order triggered | Limit order triggered | 25 | 1.1 | Dec | 4/24/17 | |
| **Stocks on “Pounce / Watch List”** | | | | | | | | | |
| Photonics | IPGP | Mike | Buy range: 70.20 to 96.10; US/DS 1.2 to 1 | |  |  | $121.46 |  | |
| ULTA | ULTA | Ian | Buy range: TBD | |  |  | TBD |  | |

**Future Education Schedule:**

|  |  |  |
| --- | --- | --- |
| April |  | Continuation of ‘SSG and the Income Statement’ |
| May |  | Conclusion of ‘SSG and the Income Statement’ |
| June | Mike | Back Side of the SSG with emphasis on PEs |

**Future Stock Presentation Schedule:**

|  |  |  |
| --- | --- | --- |
| April | Jackie Koski | tbd |
| May | Michele Grinoch | tbd |
| June | Rich Alden | tbd |

**Buy/Sell Decisions:** (motion/second: action, type, yes/no/abstain)

* Cliff/Kate: sell all 70sh of CASY @window, 15/2/0, passed
* Latisha/Nelson: sell all 20sh of KORS @window, 17/0/0, passed
* Gerry/Jackie: buy 20sh of SBUX @window, 15/2/0, passed
* Dene/Nelson: buy 20sh of PII @window, 8/9/0, failed
* Latisha/Jackie: buy 10sh of CVS @window, 15/2/0, passed
* Craig/Larry: buy 25sh of TSCO @window, 11/6/0, passed

**Next Meeting:** next regular meeting: Apr 15, Room C; following regular meeting May 6 in the Board Room

**Adjourned:** by Dene at 11:42p

**Post-Adjournment Discussion:** Nelson agreed to be the stock watcher for Tractor Supply (TSCO)

Submitted for review by Rich Alden, recording partner.

