

## A Keystone Strategies Testimonial

The Central Pennsylvania Chapter's Vice President, Bruce Kennedy, shared his thoughts on both winning Second Place and on the Impact of BetterInvesting's approach to investing in his participation in the Portfolio Contest. Bruce was second by \$22 after Dick Regan – a very close finish after seven months of competition.

Bruce's results were excellent, with his initial \$5,000 virtual investment growing to \$6,000 for a 7 month return of 20% [an annual return of 34% during a 7% return on the S&P 500. Since he owns all these stocks in his own retirement portfolio, he is especially pleased with the results. His portfolio is shown below:

| Ticker | Shares/<br>\$1000 | Price<br>1/29/10 | Price<br>9/3/10 | Ending<br>Value | % Gain |
|--------|-------------------|------------------|-----------------|-----------------|--------|
| CTSH   | 22.9              | \$43.66          | \$62.37         | \$ 1,428        | 43%    |
| SRCL   | 16.9              | \$52.91          | \$66.63         | \$ 1,257        | 26%    |
| TEVA   | 17.6              | \$56.72          | \$51.78         | \$ 912          | - 9%   |
| BWLD   | 21.4              | \$46.81          | \$47.41         | \$ 1,012        | 1%     |
| DLTR   | 30.3              | \$33.01          | \$46.03         | \$ 1,395        | 39%    |

Bruce credits his success to his four years of active participation & education in BetterInvesting's Central PA Chapter and its Learn & Earn Model Investment Club – LEMIC. [The club meets at 8:30am on the 2<sup>nd</sup> Saturday of each month at the ADTECH building of Central Penn College in Summerdale and welcomes visitors and new members] Bruce will be the new president of LEMIC for 2011 – another great reason to visit!

A key ingredient, according to Bruce, was his use of BetterInvesting analysis software, Toolkit 6, for identifying 'quality growth stocks' which led to 3 big winners and only one modest loser. This analysis always starts by looking for strong and persistent earnings growth as evidenced by the visual analysis provided in the SSG – Stock Selection Guide from BI. The five charts are shown on the following pages. Only after the stocks pass this test, does Bruce go on to evaluate the big question of 'is the price right?' Those analyses are also included. Bruce advises us that we can also learn the techniques by visiting LEMIC and do it at a nominal cost compared to many other sources of investment education and stock analysis software. Plus, with LEMIC you can 'learn by doing' in a real investing climate.

You may see the current Value of the Keystone Strategies stock picks for 2010 at the following web site for ideas on Stocks to Study [manifestinvesting.com/dashboard/16884](http://manifestinvesting.com/dashboard/16884) The top Values [which have gained at least 50% this year] are shown below:

Stocks picked in the Keystone Strategies Portfolio Contest of the Central PA Chapter of BI. \$1,000 starting value on 1/29/10

| Dashboard: = 2010 KEYSTONE STRATEGIES STOCK PICKS |        |        |          |         |            |        |          |            |         |          | Date: 12/07/2010 |       |
|---|--------|--------|----------|---------|------------|--------|----------|------------|---------|----------|------------------|-------|
| Company   | Symbol | Shares | Price    | Value   | % of Total | Growth | Proj P/E | Proj Yield | Fin Str | EPS Stab | Qlty             | PAR   |
| Silver Wheaton                                    | SLW    | 72.675 | \$40.84  | \$2,968 | 2.0%       | 11.9%  | 28.0     | 0.0%       | 41%     | 36       | 56.7             | -3.1% |
| Chipotle Mexican Grill                            | CMG    | 10.368 | \$241.06 | \$2,499 | 1.7%       | 16.0%  | 25.0     | 0.0%       | 99%     | 68       | 91.8             | 5.7%  |
| Pan American Silver                               | PAAS   | 47.193 | \$40.92  | \$1,931 | 1.3%       | 6.5%   | 25.0     | 0.0%       | 55%     | 38       | 42.6             | 1.2%  |
| Coeur D'Alene Mines*                              | CDE    | 71.328 | \$26.92  | \$1,920 | 1.3%       | 35.0%  | 21.0     | 0.0%       | 14%     | 3        | 37.8             | 19.6% |
| Whole Foods Mkt                                   | WFMI   | 36.739 | \$48.72  | \$1,789 | 1.2%       | 11.8%  | 22.0     | 0.0%       | 71%     | 79       | 78.0             | 5.6%  |
| Medifast*   | MED    | 60.061 | \$29.40  | \$1,765 | 1.2%       | 25.0%  | 15.0     | 0.0%       | 68%     | 54       | 67.0             | 17.3% |
| Caterpillar Inc.                                  | CAT    | 19.143 | \$89.20  | \$1,707 | 1.2%       | 12.6%  | 14.0     | 1.9%       | 97%     | 56       | 71.8             | 6.6%  |
| Apple Inc.  | AAPL   | 5.208  | \$320.15 | \$1,667 | 1.1%       | 14.8%  | 20.0     | 0.0%       | 98%     | 36       | 83.3             | 15.2% |
| Dollar Tree Stores                                | DLTR   | 30.293 | \$55.04  | \$1,667 | 1.1%       | 7.4%   | 16.0     | 0.0%       | 94%     | 93       | 77.0             | 7.9%  |
| OReilly Auto                                      | ORLY   | 26.456 | \$61.19  | \$1,618 | 1.1%       | 7.3%   | 19.0     | 0.0%       | 91%     | 89       | 77.2             | 7.6%  |
| II-VI   | IIVI   | 37.398 | \$43.24  | \$1,617 | 1.1%       | 14.8%  | 20.0     | 0.0%       | 60%     | 74       | 69.0             | 11.7% |
| Hasbro  | HAS    | 32.734 | \$49.28  | \$1,613 | 1.1%       | 5.3%   | 16.0     | 1.8%       | 71%     | 69       | 58.3             | 5.5%  |
| Coach   | COH    | 28.671 | \$55.91  | \$1,602 | 1.1%       | 9.6%   | 18.0     | 1.1%       | 91%     | 78       | 84.2             | 8.0%  |
| Cognizant Technology                              | CTSH   | 22.905 | \$69.80  | \$1,598 | 1.1%       | 19.4%  | 24.0     | 0.0%       | 96%     | 85       | 87.1             | 12.9% |

The Central PA Chapter of BetterInvesting thanks bivio.com's Laurie Fredericksen and Mark Roberstson of manifestinvesting.com for both their support in 2010 and their continuing support in the 2011 Keystone Strategies Portfolio Contest.

Both bivio.com and manifestinvesting offer useful ideas and aids for stocks-to-study. The latter is a Fee site, but you can get a free one month trial without using a credit card. One of the most valuable items is the monthly issue of the 8 pg. online newsletter Expected Returns. The December issue includes:

#### **Responsibly Lazy Shopping**

We screen for the best companies. We screen for the best returns without getting too ambitious.

#### **Bio-Reference Labs**

It would be difficult for the historical trends for sales and EPS to be more up, straight and parallel for BRLI...

#### **Fund Analysis: Hoard vs. Herds**

Accumulate Nasdaq-100 (QQQQ)...

#### **Sweet 16**

This month we return to a more traditional screen, seeking the highest ranked MANIFEST stocks...

#### **Tin Cup Model Portfolio**

Sell DECK & COH ... Buy CSCO, BRLI, MELI & CL...

#### **Facebook Update ... Community Speaks**

We're impressed with what we see as considerable potential for long-term investors...

### **You may go to [bivio.com/keystonestrategies](http://bivio.com/keystonestrategies) to enter the 2011 portfolio contest**

On the next 2 pages are the SSG Visuals for Bruce Kennedy's stock plus Yahoo Finance Price charts for the contest period. The latter include a price chart of the S&P 500 for comparison. The Portfolio Contest uses SPY - an S&P 500 ETF as a benchmark.

Below are listed some Key Data from the 2<sup>nd</sup> Page of the SSG:

|                             |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|
| Ticker Symbol               | CTSH  | SRCL  | TEVA  | BWLD  | DLTR  |
| Risk Reward Ratio           | 3.0   | 2.7   | 5.0   | 5.3   | 2.4   |
| Forecast 5 yr Annual Return | 16.7% | 14.4% | 15.7% | 19.4% | 17.3% |

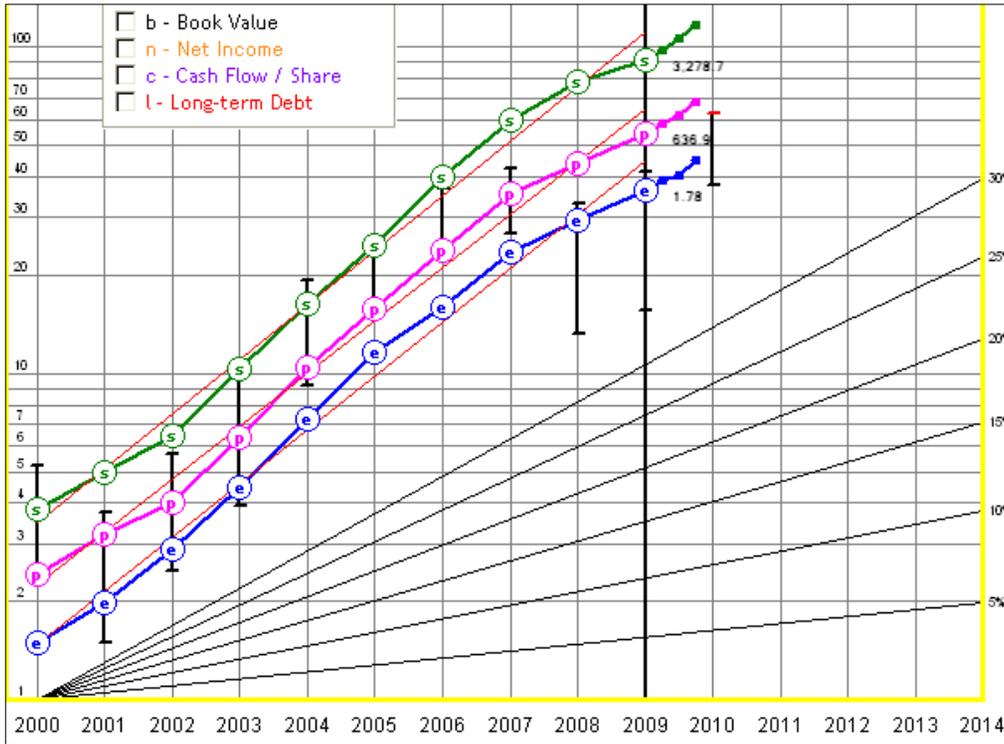
Note that SRCL and DLTR are currently below the suggest minimum Buy Ratio of 3.0. A very useful addition source is Value Line from your local library and ManifestInvesting.com as shown below in MI view od Bruce's current portfolio status *[up another 7% in 3 months]*.

| Dashboard: Bruce Kennedy |        |        |         |         |            |        |          |            |         |          | Date: 12/07/2010 |       |
|--------------------------|--------|--------|---------|---------|------------|--------|----------|------------|---------|----------|------------------|-------|
| Company                  | Symbol | Shares | Price   | Value   | % of Total | Growth | Proj P/E | Proj Yield | Fin Str | EPS Stab | Qlty             | PAR   |
| Dollar Tree Stores       | DLTR   | 30.3   | \$55.04 | \$1,667 | 25.9%      | 7.4%   | 16.0     | 0.0%       | 94%     | 93       | 77.0             | 7.9%  |
| Cognizant Technology     | CTSH   | 22.9   | \$69.80 | \$1,598 | 24.8%      | 19.4%  | 24.0     | 0.0%       | 96%     | 85       | 87.1             | 12.9% |
| Stericycle               | SRCL   | 16.9   | \$77.38 | \$1,307 | 20.3%      | 6.3%   | 25.0     | 0.0%       | 75%     | 99       | 76.6             | 4.2%  |
| Buffalo Wild Wings       | BWLD   | 21.4   | \$46.78 | \$1,001 | 15.5%      | 15.0%  | 21.0     | 0.0%       | 97%     | 86       | 88.3             | 13.5% |
| Teva Pharma              | TEVA   | 17.6   | \$49.11 | \$864   | 13.4%      | 9.0%   | 13.0     | 0.8%       | 88%     | 88       | 79.5             | 15.2% |
| Totals & Averages        |        |        |         | \$6,439 | 100.0%     | 11.6%  | 20.2     | 0.1%       | 90%     | 90       | 81.5             | 10.2% |

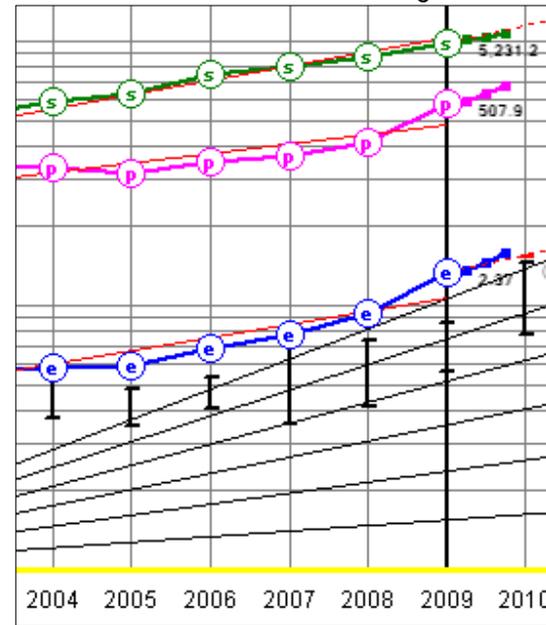
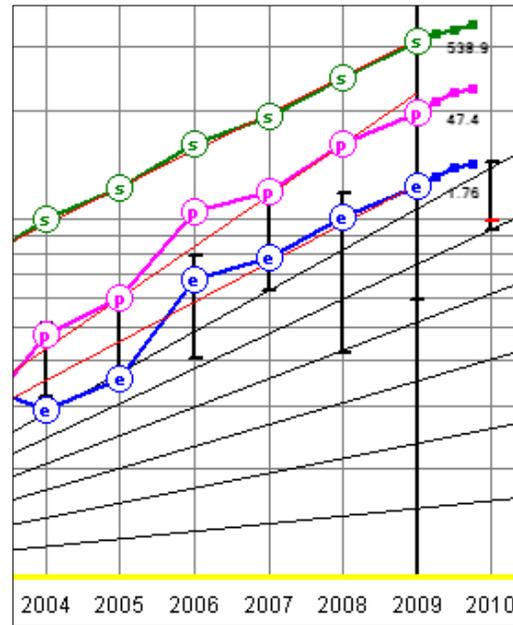
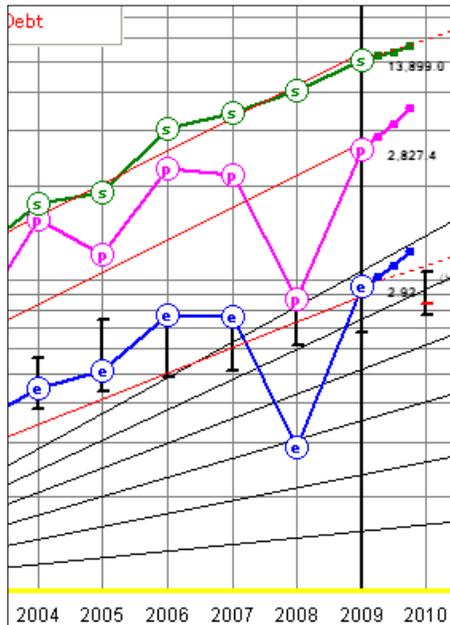
**The data presented are educational, NOT stock recommendations. As always, you are reminded to do your own analysis before making any decisions. A very useful addition source is Value Line from your local library.**

**Chuck Reinbrecht, Contest Facilitator: [keystonestrategies@yahoo.com](mailto:keystonestrategies@yahoo.com)**

Stock Selection Guide - SSG - Visual Analysis as the starting point of analysis



Charts are: CTSH - top left, SRCL - above, TEVA, BWLD & DLTR  
On left bottom - left to right



The CTSH chart shows the whole picture including the lines for 30% & other Annual Compound Return lines. The others show at least the current & 5 prior years. All show Earnings history over 30% per year. CTSH & SRCL are both the most consistent and best growth of Sales, Pre-Tax Profit & Earnings followed closely by BWLD. TEVA & DLTR are not as steady but have high growth characteristics.

The Price Charts below assist in seeing Trends & Volatility for the duration of the Keystone Strategies Portfolio Contest. Note that thru a wild ride the S&P 500 only gained 7% during that time period. The 2 lighter lines are for a 200 Day & 50 Day Moving average for trends & trading

