**Cincinnati Model Investment Club Mid-Month Minutes**

West Chester Mid-Pointe Library – March 6, 2017

**Call to Order:** Presiding Partner Cliff Turrell called the meeting to order at 10:06 AM. ***Guests on webinar:*** none, ***Guests in person:*** Glenna Baumbaugh

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

**Discussion Topics:**

* Ulta Beauty (ULTA): Cosmetics and fashion are relatively higher profit retail segments. The closure of malls and department stores may favor Ulta’s strategy of having independent stores rather than a mall presence. The SSG showed a HOLD but there were different opinions about the low price selection. Finally settled on a suggested limit order buy at $260 to be presented to the group at the next meeting. Gregg’s observation that the inventory had grown substantially was weighed against store and sales growth. Days-sales-outstanding inventory had increased slightly but was still in line with sales growth, despite the fact that it had increased significantly in terms of absolute dollars. Harrison has been working on charting and momentum (stockcharts.com). He noted that the short, medium and long term signals for ULTA were all positive.
* Tractor Supply (TSCO): TSCO was viewed more as an outlet for suburban and hobby farmers, not professionals, due to their product offerings and store locations. Marty thought their web presence was inadequate although Dene thought it was appropriate for their target market. Rural King was thought to be one of their main competitors, along with local and regional dealers. Reviewing the SSG, it appears that our current $69 limit order is still appropriate. Kate, who follows TSCO, will review the most recent 10-K to see if costs associated with growth and internet presence might account the divergence of the sales/EPS curves in recent years. The stock chart indicators for TSCO are positive for the short term but negative for medium and long-term.
* Harrison had also charted all of the CinMIC investments and found that five of them were in the red area, including CASY. We discussed charting and momentum trading vs. BI long-term investment philosophy – BI is strictly fundamentals and long-term investment but short term price trends might affect a decision, e.g., a downward trend would favor a limit order. The discussion on charting was a supplement only and should be brief. Topic for discussion at the next meeting?
* Marty proposed starting our regular meetings at 9:30a, vs. 9:45a, to allow a little more time for discussion. Much will depend on Frank’s availability to provide technical support and have the meeting live by 9:30am. Several attendees prefer the 9:45am start time! The matter will be brought up at the Mar 25 meeting.
* Cliff would like to temper the herd mentality in buying/selling stocks and we discussed the possibility of a short “counter proposal” by another member who would point out the risks, and concerns regarding the stock presented, perhaps 5 minutes after the stock study, allowing members to hear two sides to the story. An alternative is to have the presenter include counterarguments as a part of their presentation. Alternatively all members are free to raise these concerns in an open discussion, which would avoid putting a burden on the member who would have to prepare this counter-argument.
* We have already decided that any new stock presentation should be submitted by the Monday prior to the meeting so there is adequate time for any/all members to review the stock and be ready to comment.
* Cliff noted how much time was required to study and prepare for both regular and mid-month meetings and proposed discussing the value of mid-month meeting at the next meeting. Mid-month meetings would benefit newer club members but they rarely attend.

**Next Meeting:** Regular meeting Mar 25, 2017 in Room C due to another library-based event. There will be no April mid-month meeting due to the regular meeting date shift and no May mid-month meeting due to BINC preparations.

**Adjourned:** by Cliff at 12:00p

Submitted for review by Rich Alden, recording partner.

Rich, I should have added the work Harison did on charting and momentum.  These signals were positive for short, medium and longer term for ULTA.

For TSCO shot term was positive,  but medium and longer were negative.

Harison looked at all CinMic investments and 5 were in the "red" area, including CASY.

The mid-month attendees agreed that we are driven by BI principles and company fundamentals,  but should look at what chart's are saying regarding whether short term prices are trending up or down. If down we would likely opt for a limit order. The discussion on charting was a supplement only, and should take no more than a minute to two.