**Cincinnati Model Investment Club Minutes**

West Chester Mid-Pointe Library – April 15, 2017

**Call to Order:** Acting Presiding Partner Dene Alden called the meeting to order at 9:50 AM. ***Guests on webinar:*** Sharon Lindquist-Skelly ***Guests in person:*** Aran Coughlin, Ed Maurya, both from *meetup.*

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

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

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

**Financial Partner’s Report:**

* Cash balance of $8,567.96 net of Cliff’s ($13,052.46) and Rochelle’s ($124.13) payouts and a $13.68 check for Betsy’s expenses. No outstanding limit orders.
* Folio Investing reflected fractional shares purchased, not the buy order. Betsy to resolve this prior to treasurer’s report being filed for audit.
* Shares of Cliff’s holdings can be purchased by other members. Those interested should contact Betsy and/or Dene.

**Announcements:**

* Registration for BINC on May 18 to 21, full event or single days, no meals: <https://www.eventbrite.com/e/66th-annual-betterinvesting-national-convention-tickets-25557210304?aff=es2>
* FREE SATURDAY at BINC, registration on Eventbrite: <https://www.eventbrite.com/e/betterinvesting-national-convention-2017-free-public-day--tickets-32928498024?aff=es2>
* April is Financial Literacy Month. The Bank of Chicago is sponsoring Smart Money Week
* Dene will be presenting a public session using the Midpointe Library’s on-line financial data base resources on Tue, Apr 25, at 7:00p
* Members discussed various library’s on-line resources – Midpointe for Morningstar and Value Line, Lane for those two plus S&P Advantage

**Old Business:**

* CinMIC will celebrate its 15th anniversary in October. Latisha, Michele and Jackie will meet to discuss and propose a format.
* Craig read a statement summarizing some member’s opinions about recent events:

“We recently experienced a situation of one partner's ignorance of the Partnership Agreement and Operating Procedures. One result of this was the resignation of a valuable partner. The partnership cannot afford losses like these.

It is the responsibility of each partner to know and abide by these documents. If a partner does not understand something in those documents he/she must take the initiative to find the answers. To not do so, would create a question to one's commitment to the Partnership. No excuses should be accepted.

Each of us is helping to manage each others' money. Everyone needs to do that in a responsible and fiduciary manner. This includes attending meetings, submitting monthly stock reports on time, disseminating stock study data timely, paying required dues and actively participating in meetings.”

**New Business:**

* Richard Alden’s status changed from Associate to Primary Partner as he had joined the BI Chapter board as a volunteer. This will fulfill the partnership requirement for primary membership (7 to 10 of club total) with Cliff’s withdrawal.

**Education:**

* Dene and Marty suggested various methods for capturing web page data and incorporating it into stock watcher updates and other presentations. Snagit (free to try, then $49.95) and Snipit (included in Win 7 & 10). Both apps allow the user to capture and save data as a jpeg, then use photo editing tools to highlight and resize the image as needed. The *bivio* financial report “Lot Cost Basis” was used as an example. Tabular data from *bivio* and other sources can often be copy/pasted into spreadsheets or word docs
* Members were requested to distribute their SSGs as pdfs as most members use SSG+, not Toolkit. Members were also shown how to send an SSG+ study to other members should they want to use them for their own studies.
* We viewed the BI Stock Up webcast “Your SSG and the Income Statement, Part II”. Attention was again drawn to the convergence/divergence of the sales and profitability lines on the first tab as a quick means of identifying trends and detecting unusual events. RPM International, a specialty coatings and sealants manufacturer and friend of BI, was used as the example.

**New Stock Presentation:** Jackie Koski: Berkshire Hathaway Inc. and Warren Buffett, stuff of myth and legend?

* High quality diversified growth company with multiple well-known acquisitions
* Warren Buffet and Charlie Munger are iconic figures in investing and have a well-defined succession plan
* Stock has more than doubled in the past five years
* Classed as an insurance company but has 60 other holdings and partial investments
* 19% compound growth rate over 52 years, compared to S&P’s growth rate of 9.7% over the same period
* Manifest Investing: Financial strength 96%, Quality 90, PAR 9.4%
* SSG shows a low hold
* Members are encouraged to research “Becoming Warren Buffet”, BRK-Bs Letter to Shareholders, and the Annual Shareholder’s Meeting in Omaha

**Portfolio Review:**

* Review “Close of the Bell” Portfolio Analysis Report, PERT and Summary data.
* Discussion on any Quarterly Reports: any major changes to SSGs and Buy/Hold/Sell recommendations.

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| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **Closing Price:** | **# of Shares** | **% of Portfolio** | **Year End** | **Next Earnings Report:** |
| Apple  | AAPL | Jackie | HOLD | HOLD |  | 95 | 8.5 | Sep. | 4/30/17 |
| C. H. Robinson  | CHRW | Larry | HOLD | TBD |  | 185 | 8.8 | Dec | 4/25/17 |
| Cerner  | CERN | Gregg | BUY | BUY |  | 60 | 2.2 | Dec | 5/4/17 |
| Cognizant | CTSH | Mike | HOLD | HOLD |  | 200 | 7.3 | Dec | 5/4/17 |
| CVS Health | CVS | Latisha | HOLD | BUY |  | 110 | 5.3 | Dec | 5/2/17 |
| Danaher | DHR | Harrison | HOLD | HOLD |  | 110 | 5.9 | Dec | 4/20/17 |
| Fastenal | FAST | Rich | HOLD | HOLD |  | 250 | 7.9 | Dec | 4/11/17 |
| Gilead  | GILD | Kate | HOLD | BUY |  | 130 | 5.4 | Dec | 4/27/17 |
| LKQ Corp  | LKQ | Frank | HOLD | BUY |  | 375 | 6.6 | Dec | (TBD) |
| Novo Nordisk | NVO | Ian | HOLD | HOLD |  | 200 | 4.5 | Dec | N/A |
| Polaris | PII | Dene | HOLD | BUY |  | 65 | 3.3 | Dec | 4/20/17 |
| Schlumberger | SLB | Mary | HOLD | HOLD |  | 140 | 6.9 | Dec | 4/20/17 |
| Signature Bank | SBNY | Craig | HOLD | BUY |  | 110 | 9.7 | Dec | 4/20/17 |
| Starbucks | SBUX | Gerry | HOLD | HOLD |  | 60 | 2.2 | Sep | 4/27/17 |
| Tractor Supply | TSCO | Nelson |  |  |  | 50 | 2.2 | Dec | 4/26/17 |
|  | **Stocks on “Pounce / Watch List”** |
| Photonics  | IPGP | Mike | Buy range: 70.20 to 96.10 |  |  |  |  |  |
| ULTA | ULTA | Ian | Buy range: TBD |  |  |  |  |  |

**Future Education Schedule:**

|  |  |  |
| --- | --- | --- |
| May |  | “Your SSG and the Income Statement” - Part III |
| June | Mike | Back Side of the SSG with emphasis on PEs |
| July |  |  |

**Future Stock Presentation Schedule:**

|  |  |  |
| --- | --- | --- |
| May | Michele Grinoch | tbd |
| June | Rich Alden | tbd |
| July | Harrison Baumbaugh | tbd |

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

* Craig emphasized that stocks whose watchers had not made specific recommendations with justification by Mon of the week prior were disallowed from action. Although several SSGs indicated BUY, watchers had all recommended HOLD.
* Gregg & Larry to do an industry study regarding CERN
* In a modified motion: Jackie/Nelson: buy 10sh BRK-B @$160 limit, 14/4/0

Note: use “chat box” on web votes to verify for all votes.

**Next Meeting:** next regular meeting: May 6, Board room; no mid-month meeting in May; following meeting June 17, Room C

**Adjourned:** by Dene at 11:58a

**Post-Adjournment Discussion:** Nelson and Dene traded stocks: Nelson will follow PII, Dene will follow TSCO.

Submitted for review by Rich Alden, recording partner.

