**Cincinnati Model Investment Club Minutes**

West Chester Mid-Pointe Library – Jun 17, 2017

**Call to Order:** Presiding Partner Dene Alden called the meeting to order at 9:46AM. ***Guests on webinar:*** Linda Margolis, Henrietta Goolsby; ***Guests in person:*** Glenna Baumbaugh, Michael Howcroft, Jason Ramage

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

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

**Recording Partner’s Report:** Minutes of the May 6 meeting were approved and have been posted.

**Financial Partner’s Report:**

* The minor issue with the May report has been resolved and the report has been filed for audit
* Current cash: $10.832.78, not allowing for limit order of 10sh of BRK.B @$160/sh
* Mike Griffin’s payout is to be $11,315.13, leaving a deficit of $482.35; members were notified that they could purchase Mike’s shares but no one responded

**Announcements:** Members were reminded to check the BI magazine, page 3, for a listing of online classes. Jackie mentioned a cell phone app for BI publications and activities.

**Old Business:**

* Craig reviewed his experiences at BINC in May. 50% of the CinMIC members attended and took a mix of the 71 courses offered. Craig had an opportunity to meet some of the BI national figures and experts we often hear/see on webinars and in-line classes. He noted corporate participation by Duke Energy, RPM, Cincinnati Financial, and General Mills. BINC 2018 will be held in Orlando, FL May 17-20, 2018 and early bird discounted rates are available now. BI Chapter directors enjoy an additional discount.
* Latisha and Jackie reported on the 15th anniversary CinMIC meeting/luncheon to be held Oct 21, 2017. Papadeaux was preferred and Latisha will try to negotiate a non-holiday rate for the group. Chapter board members may be invited. CinMIC members were requested to discuss their best investment tips or their best stock that they purchased.

**New Business:** Lane Library is conducting a survey to find out if enough people use the S&P NetAdvantage subscription. Only a few members use the service and Jason Ramage suggested that if Lane drops the service, other libraries such as Cuyahoga County or Dayton might be alternatives. It was thought that any Ohio resident could obtain a library card to access the sites.

**Education:** Dene presented the Self-Education topics on the Better Investing web site. Comparing BI and AAII, members thought that the AAII web site was focused on the self-directed, heavy on ads and tended to better serve individual investors, while the BI site was more personal, supported clubs and investment groups, and offered mentors. Navigating the BI site, Dene noted the Tools & Resources tab, where you can find the the Ticker Talk, First Cut, and Stock Up sections. Under the Education tab can be found My Classes with handouts and videos, available for free for SSG+ members. Archived webinars are an excellent way to get familiar with or refresh knowledge on a wide range of topics featuring the top BI presenters. Members who attended were also directed to the BINC 2017 site where slides of all of the presentations can be downloaded. Audio recordings of the sessions are available for an extra cost.

**New Stock Presentation:** Rich presented Mednax (MD), a services-oriented healthcare provider specializing in neonatal, anesthesiology, teleradiology, revenue cycle management, and healthcare management consulting. They have a national presence in all 50 states and have been featured in recent AAII reports and First Cut presentations. Although sales have grown steadily, recent margin degradation has hammered the stock price, perhaps making it an attractive candidate. A pessimistic SSG showed MD to be a buy but there was concern about degradation of earnings and PTP in the last two quarters, near term performance, and potential federal/state coverage changes. MDs performance would have to turn positive in order to recommend a purchase.

**Portfolio Review:**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **Report posted on:** | **# of Shares** | **% of Portfolio** | **Year End** | **Next Earnings Report:** |
| Apple | AAPL | Jackie | HOLD | HOLD |  | 95 |  | Sep. | 07-24/17 |
| Berkshire Hath | BRK.B | (Jackie) | Limit order | $1600 |  |  |  |  |  |
| C. H. Robinson | CHRW | Larry | HOLD |  |  | 185 |  | Dec |  |
| Cerner | CERN | Gregory | HOLD | HOLD |  | 60 |  | Dec |  |
| Cognizant | CTSH | ? | HOLD? | HOLD? |  | 200 | 8.8% | Dec |  |
| CVS Health | CVS | Latisha | HOLD | HOLD | 6-12 | 120 |  | Dec |  |
| Danaher | DHR | Harrison | HOLD | HOLD |  | 110 |  | Dec |  |
| Fastenal | FAST | Rich | HOLD | HOLD | 6-11 | 250 |  | Dec |  |
| Gilead | GILD | Kate | HOLD/SELL | BUY |  | 130 |  | Dec |  |
| LKQ Corp | LKQ | Frank | HOLD | HOLD | 6-12 | 375 |  | Dec |  |
| Novo Nordisk | NVO | Ian | HOLD | HOLD | 6-13 | 200 |  | Dec |  |
| Polaris | PII | Nelson | HOLD | HOLD | 6-12 | 65 |  | Dec |  |
| Schlumberger | SLB | Mary | HOLD | HOLD | 6-12 | 140 |  | Dec |  |
| Signature Bank | SBNY | Craig | Trim position of 20 shares | HOLD | 6-11 | 110 |  | Dec |  |
| Starbucks | SBUX | Gerry | BUY |  |  | 60 |  | Sep |  |
| Tractor Supply | TSCO | Dene | BUY | BUY | 6-12 | 50 |  | Dec |  |
|  | **Stocks on “Pounce / Watch List”** | | | | | | | | |
| ULTA | ULTA | Ian | Buy range: TBD | |  |  |  |  | 5/25/17 |
| NIC INC | EGOV | Michele | Buy range: | |  |  |  |  |  |

**Portfolio Analysis:** Marty prepared a**n** extensive report on the club’s portfolio, including data on each of the holdings. See the report, ‘CinMIC Portfolio Analysis - Close of the Bell Report 170504’, posted to bivio on Fri, 6/16/17 for detail. He highlighted stocks with a small portfolio percentage, sub-par revenue growth projections, weak EPS stability, and Nicholson Triple Plays. All were above 80 quality but half were below the Manifest Investing sweet spot. The report closed noting that while the club’s IRR for the past 15 years was 5.4%, the Vanguard Total Stock Market Index (VTSMX) was 10.8%.

**Future Education Schedule:**

|  |  |  |
| --- | --- | --- |
| July | Larry Averbeck | Dividends |
| August | Gregg Hopkins | tbd |

**Future Stock Presentation Schedule:**

|  |  |  |
| --- | --- | --- |
| July | Harrison Baumbaugh | tbd |
| August | Larry Averbeck | tbd |

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

* Nelson/Gregg: cancel the BRK.B limit order, 15/2/0
* Dene/Mary: sell 25sh of the first lot dated 8/17/15 of GILD at window, 15/2/0
* Marty/Larry: sell all of GILD at window, 3/14/0

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

**Next Meeting:** mid-month study group: July 1, boardroom; regular meeting: July 15, boardroom

**Adjourned:** by Dene at 11:59a

**Post-Adjournment Discussion:**

Submitted for review by Rich Alden, recording partner.