**Cincinnati Model Investment Club Minutes**

West Chester Mid-Pointe Library – September 16, 2017

**Call to Order:** Presiding Partner Dene Alden called the meeting to order at 9:48a. ***Guests on webinar:*** Larry Averbeck, Susan Tanoe, Linda Miller; ***Guests in person:*** William Page

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Here** | **Proxy** | **Name** | **Here** | **Proxy** |
| Jackie Koski | X |  | Harrison Baumbaugh | X |  |
| Ian Barnes, Education Partner | web |  | Mary Thomas | --- | Jackie |
| Betsy Eller, Financial Partner | X |  | Gregg Hopkins | X |  |
| Craig Jacobsen | X |  | Latisha Douglas | web |  |
| Marty Eckerle | web |  | Frank Bicknell | X |  |
| Gerry Geverdt | X |  | Michele Grinoch | X |  |
| Dene Alden | X |  | 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 August 19 meeting were approved and have been posted.

**Financial Partner’s Report:**

* Current cash: $2,749.47. The August report was filed for audit without changes.
* Cognizant Technologies (CTSH) issued a $30.00 non-taxable return of capital.
* Larry Averbeck’s payout will be $12,612.88.

**Announcements:** Classes and webinars:

* See Better Investing Magazine “ONLINE” section opposite Contents or visit web site under Events.
* The Roundtable sponsored by BI Mid-Michigan is on Sept. 26 at 8:30PM
* “Investing Topics with Mark and Ken” is a new webinar on second Tuesday of each month.
* Register for both by contacting: nkavula1@comcast.net.

**Old Business:**

* CinMIC 15 year Anniversary, Committee report, Latisha, Jackie and Michele. Luncheon at smoQ at 1:00p will follow the regular Oct 21 meeting at the library. smoQ is in Springdale, 275 Pictoria Dr, Cincinnati, OH 45246, menu: <http://www.smoqbbq.com/menu/> . Call the restaurant for any dietary preferences. The celebration is open to members +1, Dutch. Please RSVP to Latisha, [latisha.glynn1@gmail.com](mailto:latisha.glynn1@gmail.com) with their intent to attend and number of guests. Dene will contact the chapter about the certificate and a cake.

**New Business:**

* Betsy noted that the BI club membership renewal is coming up for renewal - $49. Members who register independently of CinMIC need to submit a check to Betsy for $42 made out to Better Investing.

**Education:** Latish Douglas: Ann Cuneaz’s BINC Seminar “Best Practices to Keep Your SSG Current” Part 1

* Monthly:
  + Update the SSG for valuation, zoning, upside/downside (s/b 3.0 or better), potential return (sect. 5). Check Average Low PE (4Ba) for Low Price, even if it is not your final choice.
  + Check for News, not Noise – avoid technical charts, analysts’ speculations, daily market movement; stick with solid financial news on the performance of the company and major issues that affect it – M&A, management changes, regulatory impact, lawsuits, etc.
  + Make your Buy/Hold/Sell recommendation
* Quarterly:
  + In addition to the above, check for company press releases, new reports from Value Line, Morningstar, analysts’ conference call, 10-Q/10-K reports, or other major publications. BI data usually lags quarterly data by a few days, so wait a bit before doing a new SSG after quarterly results are announced.
  + On SSG+, use the ‘Overwrite Company Data” to get the freshest numbers. Alter sales and earnings estimates (first tab) as indicated.
  + Review high and low PEs and make sure to use 4Ba as a check on your judgment as Marty uses that information for his monthly portfolio analysis.
  + Note, there is a new “Auto Update Low EPS” button on the SSG+

**New Stock Presentation:** (none)

**Portfolio Review:**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **Report posted:** | **# of Shares** | **% of Portfolio** | **Year End** | **Next Earnings Report:** |
| Apogee | APOG | Craig | Buy 30 | BUY | 09/09 | 20 | 0.6% | Dec | 9-19 |
| Apple | AAPL | Jackie | HOLD | HOLD | 09/11 | 95 | 10 | Sep. | 10-24 |
| C. H. Robinson | CHRW | Dene | HOLD/SELL | HOLD | 09/10 | 185 | 8.6 | Dec | 10-24 |
| Cerner | CERN | Gregory | HOLD | HOLD | 09/11 | 60 | 2.8 | Dec | 11/07 |
| Cognizant | CTSH | Michele | HOLD | HOLD | 09/11 | 200 | 9.9 | Dec | 11/06 |
| CVS Health | CVS | Latisha | HOLD | HOLD | 09/11 | 110 | 6.2 | Dec | TBD |
| Danaher | DHR | Harrison | HOLD | HOLD | 09/11 | 110 | 6.4 | Dec | 10-19 |
| Fastenal | FAST | Rich | HOLD | HOLD | 09/10 | 200 | 6.1 | Dec | 10-10 |
| Gilead | GILD | Kate | HOLD | HOLD | 09/10 | 105 | 5.7 | Dec | 11/07 |
| LKQ Corp | LKQ | Frank | HOLD | BUY | 09/11 | 375 | 9.2 | Dec | 10-26 |
| Novo Nordisk | NVO | Ian | SELL | HOLD | 09/11 | 200 | 6.0 | Dec | 10-27 |
| Polaris | PII | Nelson | HOLD | HOLD | 09/09 | 65 | 4.1 | Dec | 10-24 |
| Schlumberger | SLB | Mary | HOLD | BUY | 09/11 | 140 | 6.8 | Dec | 10-20 |
| Signature Bank | SBNY | Craig | HOLD | BUY | 09/09 | 110 | 10.8 | Dec | 10-19 |
| Starbucks | SBUX | Gerry | HOLD | BUY | 09/14 | 100 | 3.8 | Sep | 11/02 |
| Tractor Supply | TSCO | Dene | Buy 10 | BUY | 09/09 | 50 | 2.0 | Dec | 10-25 |
|  | **Stocks on “Pounce / Watch List”** | | | | | | | | |
| ULTA | ULTA | Ian | Buy Range: 176 to 234.1 | | 09/02 |  |  | Jan | TBD |

**Portfolio Analysis:**

* Marty presented his “Close of the Bell” portfolio analysis and discussed the ranking of stocks by future Compound Annual Return as a selection criteria.
* Craig recapped the Sep 2 mid-month meeting (see notes on bivio). The group decided not to sell GILD since the Kite acquisition had just taken place and GILD’s future could improve.
* SLB was likewise a keeper as the energy industry was bound to improve.
* The group looked at CHRW, noting a struggling net revenue due to long term contracts. It remains a good company with its fresh produce arm doing OK but the multi-modal freight forwarding arm is being hurt by competition and declining margins.
* NVO was also a candidate and although the club has had a decent return on the stock, the future return and U/D ration are unfavorable. Of the two drug stocks, NVO was chosen over GILD as a sell candidate.

**In-Depth Portfolio Review:**

* A big “Thank You” to Marty and Craig for compiling the data and preparing a methodology for reviewing the CinMIC holdings.
* They presented a two-page form that prompts for answers to some of the most important questions about a stock, the SSG, and prospects for growth. They selected SBNY, APOG, and FAST as the first three candidates.
* Low Compound Annual Return (CAR) was selected as the ranking indicator although others can be used by clicking on the header of columns in Marty’s spreadsheet.
* Craig will prepare a rotation for watchers to review their stocks in detail (estimated 2 hrs of research), fill out the form, and circulate it. Members can swap stocks and/or dates with each other but the overall goal is to review all stocks in the portfolio over the next 5-6 months.
* Review of each stock (3 per meeting?) will temporarily replace the normal education and/or stock presentation segments of the agenda.

**Future Education Schedule:** (tentative)

|  |  |  |
| --- | --- | --- |
| October | Marty Eckerle | **“Best Practices on Keeping Your SSG Current Part II”** |
| November | Kate Lester | tbd |

**Future Stock Presentation Schedule:** (tentative)

|  |  |  |
| --- | --- | --- |
| October | Michele Grinoch (for Frank) | tbd |
| November | Mary Thomas | tbd |

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

* Dene/Nelson: remove limit order for 10sh of TSCO: 16/0/0
* Craig/Gerry: sell all 200sh of NVO @window: 16/0/0
* Marty/Latisha: sell 35sh of CHRW @window: 16/0/0
* Craig/Marty: buy 30sh of APOG @window: 8/6/2
* Dene/Nelson: buy 10sh of TSCO @window: 15/1/0

Note: use “chat box” for web votes.

**Next Meeting:** Mid-month Study Group: Oct 7, Board Room; Regular meeting Oct 21, Room C

**Adjourned:** by Dene at 11:33a

Submitted for review by Rich Alden, recording partner.