**Cincinnati Model Investment Club Minutes**

Webinar only meeting due to weather – January 19, 2019

**Call to Order:** Presiding Partner Richard Alden called the meeting to order at 9:50a. Proxies were noted.

**Guests in Person:** none

**Guests on Webinar:** Dan Kuhl, Jon Moore, Ian Barnes, Fred Conway, Henrietta Goolsby

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| --- | --- | --- | --- | --- | --- |
| **Name** | **Here** | **Proxy** | **Name** | **Here** | **Proxy** |
| Jackie Koski | web |  | Harrison Baumbaugh | web |  |
| Betsy Eller, Financial Partner | web |  | Mary Thomas | web |  |
| Craig Jacobsen | web |  | Gregg Hopkins | web |  |
| Marty Eckerle | web |  | Nelson Page | web |  |
| Gerry Geverdt | web |  | Frank Bicknell | --- | Michele |
| Dene Alden | web |  | Michele Grinoch | web |  |
| Richard Alden, Presiding Partner | web |  | Kate Lester | web | (Dene) |
| Cheryl Hargett | web |  | Philip Baxman | web | (Marty) |

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

**Recording Partner’s Report:** Minutes of the Dec 15, 2018 meeting were approved as posted on Jan 12, 2019.

**Financial Partner’s Report:**

* Current cash: $9,396.70; There are no limit orders
* Financial Partner’s report filed for audit
* Members were ask to self-audit their investment payments for 2018 in preparation for 2018 taxes. Most members have responded, Betsy will get the last few.
* Manifest Investing renewal – Dene: MI agreed to a flat fee of $400 for whole club, all members, Dene/Craig moved to accept the offer, Betsy to prepare a check, Dene to convey check to MI
* Volunteers for the 2018 audit are: Marty to do a webinar, early March, Dene & Phillip as members

**Announcements:**

* Classes and webinars: see BetterInvesting Magazine “ONLINE” section opposite CONTENTS or visit the web site under Events.
* “The Roundtable”, “Turn Out Tuesday” and “Investing Topics with Mark and Ken” are sponsored by BI Mid-Michigan. Register for any of them by contacting: [nkavula1@comcast.net](mailto:nkavula1@comcast.net).
* Check out Stock Up and Ticker Talk on the BI web site
* BI OKI Chapter Spring Educational Event: Mar 30, 2019, LaQuinta Inn, Sharonville
* BINC 2019 will be in May in Chicago – Dene, Jackie, Rich, and Craig already registered
* The Jan 17 Stock Up on improving your SSG was very good – BI web site/Tools/StockUp/Archives has a recording, Marty to send a link to youtube version
* CinMIC member resources: [CinMIC Portfolio](https://www.manifestinvesting.com/dashboards/public/RDHP243); [Pounce List Companies](https://www.manifestinvesting.com/dashboards/public/PF79C2D); [Stocks to Study](https://www.manifestinvesting.com/dashboards/public/74KV7LF)

**Old Business:**

* Bill Meehan to present in Feb (in person?) Lam Research (LRCX) for membership

**New Business:**

* Pounce List changes – drop CELG, LCII, and CMD. Keep FLT on the list, Phillip to continue to follow. DIS was suggested but did not make the list since it is a large company and higher priced at the moment.

**New Stock Presentation:** Jackie: Healthcare funds

* Difficult to pick a single stock in this sector – drug/biotech manufacturers, distributors, hospitals, etc.
* Look for major index funds, not niche players – criteria were fund size (>$1B), less than 10% turnover, at least 5 yrs old, 100K average daily volume, 1, 3, 5, and 10 yr performance, expense ratio <0.50, ratings and rankings from Morningstar and others
* Vanguard Health Care Index Fund (VHT), Fidelity MSCI Health Care ETF (FHLC), State Street Health Care Select SPDR (XLV), Black Rock iShares U.S. Healthcare ETF (IYH)
* Looked for five top holdings in all of the candidates – Johnson & Johnson, UnitedHealth Group, Pfizer, Merck & Co., AbbVie
* Health care funds outperformed the S&P 500 over the past several years – 11% vs. 8.5%
* Look for low turnover, low expenses, high Morningstar rating, number of holdings
* Vanguard fund VHT was the winner in Jackie’s analysis, recommend purchase of 10 sh @window, consider dollar-cost-averaging in future months
* Manifest Investing tracks some of these funds with holdings

**Education:** Gerry: BIXX – Better Investing Total Market Index

* Summary of studies done by all BI members
* 12.3% increase for the past ten years, 6.4% for five years
* Review funds to select companies to follow
* Gerry to dig further and present in the future

**Portfolio Report**:

* Members have adopted the v3 form, much easier to get an overview and compare results
* Version 4 available, Craig has a detailed guide for newbies and experienced users as well
* Please use v4 dated 1/15/19 for all future reports, delete old copies
* Reminder to follow the file naming conventions: <type of report> <ticker> <yymmdd> to allow the files to self-sort

**Review and Reflection:**

* Craig: December 2018 market close was a buying opportunity – ‘buy when there is blood in the streets’
* Do your studies. maintain a personal pounce list, be ready when the market shifts
* Microsoft (MSFT) has made some fundamental changes and might be worth looking at
* Marty bought Five Below (FIVE), has done well
* Dene: family club bought Illumina (ILMN) – very volatile but a leader in the biotech field, Ulta (ULTA) was also a good performer, Waters (WAT) has done well – high tech analysis equipment, sales to China
* Jackie: Altria Group (MO); Canadian cannabis companies might be of interest – regulatory and market maturity issues in the US
* Harrison: Danaher has done well, 4Q results due out soon, former president of Danaher now leading GE
* Gregg: O’Reilly (ORLY), Credit Acceptance Corp. (CACC) has done well but never in the buy range, Celgene (CELG) being acquired by Bristol Myers – lucky buy
* Nelson: appreciate Craig and Marty mentioning Air Lease (AL) – good performer, stock low at the moment due to parts shortages

**Portfolio Review:**

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| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **# of Shares** | **% of Portfolio** | **Year End** |
| Apple | AAPL | Jackie | HOLD | BUY | 95 | 10.3 | Sep. |
| C. H. Robinson | CHRW | Cheryl | HOLD | BUY | 150 | 9.0 | Dec |
| CBRE Group | CBRE | Mary | HOLD | BUY | 85 | 2.6 | Dec |
| Cognizant | CTSH | Michele | HOLD | BUY | 200 | 9.3 | Dec |
| CVS Health | CVS | Dene | BUY 10sh | BUY | 145 | 6.4 | Dec |
| Danaher | DHR | Harrison | HOLD | HOLD | 110 | 8.1 | Dec |
| Fastenal | FAST | Rich | HOLD | HOLD | 200 | 8.0 | Dec |
| LKQ Corp | LKQ | Frank | HOLD | BUY | 400 | 7.5 | Dec |
| Schlumberger | SLB | Mary | HOLD | BUY | 140 | 4.0 | Dec |
| Signature Bank | SBNY | Craig | HOLD | BUY | 110 | 9.3 | Dec |
| Starbucks | SBUX | Gerry | HOLD | BUY | 160 | 7.2 | Sep |
| Tractor Supply | TSCO | Greg | HOLD | HOLD | 145 | 8.9 | Dec |
| Ulta Beauty | ULTA | Kate | HOLD | HOLD | 15 | 3.0 | Jan |

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| **Pounce/Watch List** | | | | |
| **Stock** | **Symbol** | **Watcher** | **Presented** | **Recommendation/Remarks** |
| Fleetcor Technologies | FLT | Phillip | May, 2018 |  |
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**Buy/Sell Decisions:** (motion/second: action, type, yes/no/abstain)

* Dene/Kate: buy 10sh of CVS @window, 10/5/1
* Craig/Mary: buy 20sh of CBRE @window, 16/0/0
* Jackie/Mary: buy 10sh of VHT @window, 12/4/0

**Future meetings: Mid-Month Portfolio/Stock Committee: Feb 2, webinar; Regular meeting: Feb 16, Library, Board Rm Stock Study: Bill Meehan – Lam Research (LRCX); Education: Kate – TBD; new members may alter this schedule**

**Education and Stock Presentation Schedule for 2018/2019:** Revised to reflect changes:



**Adjourned:** by Rich at 11:41a

Submitted by Rich Alden, acting recording partner