**Cincinnati Model Investment Club Minutes**

# Sat. April 17, 2021 / 9:49 – 11:59 AM

**Online Only**

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

**Guests on Webinar:**  Cheryl Hargett, Paul Jayaseelan, Janet Blaser, , Barbara Renford, Mary Thomas, Tim Rahe, Anitra Pope, Dan Kuhl, Warren Leggett, Elizabeth Wourms, Erin Fitzgerald, Susan Tanoe, Alice Schneider, Joe Farrell, Mary Fledderman

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| --- | --- | --- | --- | --- | --- |
| **Name** | **Web** | **Proxy** | **Name** | **Web** | **Proxy** |
| Jackie Koski | X |  | Harrison Baumbaugh | X |  |
| Kate Lester, Recording Partner |  | Dene | Bill Meehan |  | Nelson |
| Craig Jacobsen | X |  | Roger Stafford |  | Marty |
| Marty Eckerle | X |  | Nelson Page | X |  |
| Gerry Geverdt  |  |  | Eugene Burnett | X |  |
| Dene Alden, Financial Partner | X |  | Michele Grinoch  | X |  |
| Richard Alden, Presiding Partner | X |  |  |  |  |
|  |  |  |   |   |  |

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

**Recording Partner’s Report:**

* Minutes for the March 20, 2021 meeting posted to bivio on Apr 6, 2021. Dene/Marty, approved

**Financial Partner’s Report:**

* Current financial report, cash balance: $1,725.45 as of Apr 16,2021

**Announcements:**

* Better Investing Weekly Newsletter – First Cuts, webinars, Learning Center, news and information
* Classes and webinars: see BetterInvesting Magazine ONLINE section opposite CONTENTS. Other investing educational sessions: Register on the BI web site for “Ticker Talk” and Stock-Up”.
* “The Roundtable” and “Bull Sessions” occurs each month sponsored by BI Mid-Michigan Chapter. Register with both by contacting: nkavula1@comcast.net
* BINC is moving from May to October 21-24, still in Dallas, Taste of BINC preview on May 20, 2021 – see BI web site
* April 24 Financial literacy presentation – Jackie/Rich, registration required: <https://attendee.gotowebinar.com/register/6074995671523469068>

**Resources**

* CinMIC portfolios on Manifest Investing: [CinMIC Portfolio](https://www.manifestinvesting.com/dashboards/public/KJQJDP7), Pounce List: [Pounce List Companies](https://www.manifestinvesting.com/dashboards/public/PF79C2D),- Pre-screened stocks: Use Manifest Investing screen with rank> 98% and/or CinMIC Stocks to Study List: [Stocks to Study](https://www.manifestinvesting.com/dashboards/public/74KV7LF)

**Old Business:**

* Presentation schedule, see below

**New Business:**

* Gene Burnett not able to continue stock updates but will continue as a club member

**Stock Presentation:** Paul Jayaseelan (new member presentation): O’Reilly Auto (ORLY):

* + Dual market – DIYers (55%) and professionals (45%)
	+ $11B in 2020, narrow moat, Advance Auto and AutoZone are competitors
	+ 28 distribution centers, 356 hub stores, products sold worldwide, expanding into Canada and Mexico, adding ~200 stores/yr,
	+ Interest coverage is 15; %debt to capital is 83.6% but lower than Advance Auto and AutoZone
	+ Sales/EPS forecasts: 6%/11.4%, average PE: 19.3, current PE 22.0; SLP of $350; SHP: 949.10, U/D ratio: 2.5
	+ Just above the buy zone

**Education:** Craig: SCG Core comparison of O’Reilly (ORLY), AutoZone (AZO), Advance Auto Parts (AAP), and LKQ Corp.(LKQ)

* + ORLY rated highest, the others were well behind
	+ All are of comparable size, ~$10-12B/yr sales
	+ Market movement and easing of COVID effects may account for industry-wide price increases recently
	+ Craig/Rich: put ORLY on the Pounce List
	+ Also did a comparison of LKQ (portfolio) and OLLI (watch list) – OLLI looks better

**Portfolio Report**:

* Marty’s analysis of the CinMIC portfolio; members to address their PERT misses
	+ A number of portfolio companies have indicators for sale/trim/replacement – MRCY, TSCO, V

**Review and Reflection:**

* Craig: How can we make a more nuanced judgment to sell a stock, recognizing that we have more stocks than watchers?
	+ Factors: return (AIRR), percent of portfolio, PERT results

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

* Dene/Marty: sell all 15sh of MRCY @mkt, 13/0/1
* Michele/Marty: sell all 300sh of LKQ @mkt, 9/3/2
* Nelson/Dene: sell 15sh of TSCO @mkt, 13/0/1
* Marty/Gene: sell all 10sh of V @mkt, 7/6/1
* Michele/Marty: buy 140sh of OLLI @mkt, 12/1/1
* Bill/Nelson: buy 10sh of IRBT @mkt, 13/0/1
* Craig/Nelson: buy 5sh of ADBE @mkt, 13/0/1

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **# of Shares** | **% of Portfolio** | **Year End** |
| Adobe | ADBE | Kate (1) | HOLD | BUY | 15 | 3.9 | Nov |
| Alphabet | GOOG | Nelson (2) | HOLD | HOLD | 3 | 3.5 | Dec |
| Apple  | AAPL | Jackie | HOLD | HOLD | 150 | 10.2 | Sep |
| C. H. Robinson  | CHRW | Michele (2) | HOLD | HOLD | 93 | 4.7 | Dec |
| CACI International | CACI | Craig (2) | HOLD | HOLD | 35 | 4.5 | Jun |
| Charles Schwab | SCHW | Nelson (2) | HOLD | HOLD | 360 | 12.5 | Dec |
| Danaher | DHR | Harrison | HOLD | HOLD | 90 | 10.7 | Dec |
| Fastenal | FAST | Rich (1) | HOLD | HOLD | 400 | 10.3 | Dec |
| Fidelity Select Healthcare | FSPHX | --- |  |  | 278.7640 | 4.5 | --- |
| IRobot | IRBT | Bill | Buy 10sh | BUY | 85 | 5.1 | Dec |
| Illumina | ILMN | Dene (1) | HOLD | HOLD | 15 | 3.1 | Dec |
| LKQ Corp  | LKQ | Michele (2) | HOLD | HOLD | 300 | 6.8 | Dec |
| Mercury Systems | MRCY | Roger |  |  | 15 | 0.6 | Dec |
| Starbucks | SBUX | Gene (2) |  |  | 80 | 4.7 | Sep |
| Tractor Supply | TSCO | Gerry |  |  | 145 | 13.2 | Dec |
| Visa | V | Gene (2) |  |  | 10 | 1.1 | Dec |

|  |
| --- |
| **Pounce/Watch List** |
| **Stock** | **Symbol** | **Watcher** | **Presented** | **Recommendation/Remarks** |
| O’Reilly Automotive | ORLY | Paul | Paul |  |
| MI Homes | MHO | Roger | Roger |  |

**Future meetings: Mid-Month Portfolio/Stock Committee: May 1, webinar; Regular meeting: May 15, online**



**Adjourned:** by Rich at 11:54 am

Submitted by Rich Alden, Acting Recording Partner