Cincinnati Model Investment Club Minutes

# Saturday. November 20, 2021 / 10:30 AM

Hybrid

Call to Order: Presiding Partner Richard Alden called the meeting to order at 10:36 am. Proxies as noted.

Guests in person: Chip Kruthoffer, Matt Alden

Guests on Webinar: Joe Farrell, Joel Shuster, Atul Manocha, Linda Miller, Susan Tanoe, Don Collier, Michael Di Flora, Mike Higgins

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| --- | --- | --- | --- | --- | --- |
| Name | Present | Proxy | Name | Present | Proxy |
| Jackie Koski | x |   | Harrison Baumbaugh | web |  |
| Kate Lester, Recording Partner | --- | Dene | Bill Meehan | web |  |
| Craig Jacobsen | web |  | Roger Stafford | x |  |
| Marty Eckerle | x |  | Michele Grinoch | x |  |
| Dene Alden, Financial Partner | x |  | Eugene Burnett | --- | --- |
| Richard Alden, Presiding Partner | x |  |  |  |  |
| Paul Jayaseelan | x |  |   |  |  |

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

Recording Partner’s Report:

* Minutes for October 16, 2021 meeting posted to Bivio on October 20, 2021. Corrections or additions? Marty/Crag all accepted

Financial Partner’s Report:

* Current financial report, cash balance: $11,550.02 as of CoB November 12, 2021; $2,580.78 for investment after Jackie’s $9,000.00 withdrawal and late deposits
* Jackie’s check delivered

Announcements:

* Chip Kruthoffer applied for membership – Dene to be mentor

Resources

- CinMIC Portfolio: <https://www.manifestinvesting.com/dashboards/public/cinmic>

- CinMIC Core Stocks: <https://www.manifestinvesting.com/dashboards/public/cinmic-core>

- CinMIC Non-Core Stocks: <https://www.manifestinvesting.com/dashboards/public/non-core>

- CinMIC Stocks to Study: <https://www.manifestinvesting.com/dashboards/public/cinmic-stocks-to-study>

- Or get them all in one place with this link: [Manifest Investing](https://www.manifestinvesting.com/clubs/630/dashboards).

- Mid-Michigan Chapter presentation on portfolio management: <https://www.youtube.com/watch?v=Z58tL-1g7cc>

* 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

Old Business:

* Guests are encouraged to join CinMIC

New Business:

* Nominating committee – Jackie to lead, Paul as second, need a Recording Partner for sure
* Members are to audit their payments, send email to Dene
* Financial Partner bond? Marty/Michele – unanimous: no bond required
* Rotation of stock followers – members to think about it for 2022
* Prep for Dec meeting – pot luck snacks, members to bring own beverages

Stock Presentation: Jackie: “Survivor, CinMIC Edition”, Part 2

* Exploration of which stocks may be candidates for sale in order to obtain a 1:1 ratio of watcher vs stocks.
* Paul, Roger, Dene willing to follow two stocks, Craig, Michele and Harrison have followed two
* Six stocks in the CinMIC portfolio have quality less than 85, six others have lower PAR
* AAPL example – PAR and actual return not well correlated, return is actually market (price) driven
* CACI, ILMN, DHR were candidates to drop

Education: Rich: Trimming Your Portfolio’s Sails” – how to capture gains and keep your portfolio in balance

* How to selectively capture gains without selling all of a position
* Trim candidates based on percentage of the portfolio and gain since they were purchased
* Technique can be applied to the whole position or individual lots within it for tax reasons
* Spreadsheet method to select candidates for review

Portfolio Report:

* CinMIC portfolio review; members to address their PERT misses
* Marty added a moat column to portfolio review

Review and Reflection:

* Craig: CACI review
* Non-core, lower quality, quarterly growth slowing (FY22), 4.2% vs. 7% for a company of its size
* Craig used 4%/5% for sls, EPS, lg tax credits affected FY21, will not recur in 2022, interest coverage 6-8x, not worrisome
* $4.2B in goodwill and intangibles vs. $2.7B in shareholder equity – problem?
* SSG gave a BUY signal, 3.7 u/d ratio, but most recent quarters were not good
* Acquiring smaller companies, history of beating street expectations, reputation as a high quality co.
* Mostly government work – military (SW), missiles, guidance systems, government office apps

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

* Craig/Roger: sell all 40sh of CACI @mkt; 10/1/1
* Roger/--: sell all 4sh of GOOG @mkt; no second
* Craig/Marty: buy 60sh of MBUU @mkt; 11/0/1
* Marty noted that the CACI sell and MBUU buy raised PAR and quality

Marty: Remove M/I Homes from watch list – members agreed, none opposed

Michele – stock study next month - go ahead and present, challenging another holding if needed, Craig suggests another home builder

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Stock** | **Symbol** | **Watcher** | **Watcher: Buy/Hold/Sell** | **SSG: Buy/Hold/Sell** | **# of Shares** | **% of Portfolio** | **Year End** |
| Adobe | ADBE | Kate (1) | HOLD | HOLD | 20 | 7.0 | Nov |
| Alphabet | GOOG | Roger | HOLD | HOLD | 4 | 6.3 | Dec |
| Apple  | AAPL | Jackie | HOLD | HOLD | 135 | 10.8 | Sep |
| C. H. Robinson  | CHRW | Michele | HOLD | HOLD | 103 | 5.2 | Dec |
| CACI International | CACI | Craig (2) | SELL all | HOLD | 40 | 6.1 | Jun |
| Danaher | DHR | Harrison (2) | HOLD | HOLD | 80 | 13.2 | Dec |
| Fastenal | FAST | Rich (1) | HOLD | HOLD | 300 | 9.6 | Dec |
| Fidelity Sel. Healthcare | FSPHX | --- | --- | --- | 338.5150 | 6.3 | --- |
| IRobot | IRBT | Bill | HOLD | BUY | 125 | 6.0 | Dec |
| Illumina | ILMN | Dene (1) | HOLD | HOLD | 15 | 3.1 | Dec |
| Malibu Boats | MBUU | Craig (2) | BUY 30sh | BUY | 30 | 1.1 | Jum |
| Starbucks | SBUX | Harrison (2) | HOLD | HOLD | 80 | 4.8 | Sep |
| Tractor Supply | TSCO | Paul | HOLD | HOLD | 120 | 14.2 | Dec |

Note: The Stock Study and Education schedule is in the process of revision



Adjourned: by Rich at 12:35p pm

Submitted by Rich Alden, Acting Recording Partner