

Portfolio Management Reports

For those who prefer to continue to use the original forms for their portfolio management chores, we have included this section. Any detailed discussion about the interpretation of the forms will be found in the “**What and Why...**” section of this manual. This section is intended to help you only with the mechanics of launching the forms and making use of whatever automation of those forms we have incorporated.

All of the portfolio management reports can be accessed in a similar fashion:



1) Click on the “**Portfolio**” button on the Main Toolbar.



2) In the “**Portfolio Selection**” screen, click on the portfolio you wish to open, and click “**Ok.**” This brings up the default Portfolio Overview Report.

4) Adjust the size of the **Portfolio Review** by clicking on the resize button and selecting a percentage number.

Alternately, if you are looking at the Portfolio Overview window, you can simply click the “**Reports**” button to get to the same location.

Once you have the default report open, you can use the “**Select View**” menu in the top left-hand corner of each report to select a specific report. Placing your mouse pointer over the menu will reveal the available reports. The “**Views**” in the **Portfolio Review** are **Portfolio Review**, **Trend**, **Summary**, **Defense**, **Offense**, **Sector/Industry**, and **Company Size**.



Portfolio Review

PURPOSE: To monitor the performance of the companies in your portfolio or Stock Library to determine whether they are living up to your expectations.

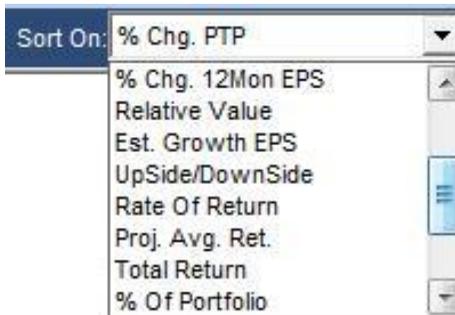
Navigating

Use the scroll bars to move the **Portfolio Review** form by clicking on the arrows on the side, and the arrows on the bottom.

“**Next**” and “**Previous**” buttons at the bottom of the **Portfolio Review** are to go to the Next or Previous Page.

Sorting Portfolio Review Data

You may sort many of the columns in your Portfolio data in the **Portfolio Review** by using “**Sort On**” on the **Portfolio Review** Toolbar.



- 1) On the **Portfolio Review** Toolbar, click on the “**Sort On**” drop-down menu arrow.
- 2) Select from the list. You may sort on: Name, Ticker, % Chg. EPS, % Chg. Sales, % Chg. PTP, % Chg 12-month EPS, Relative Value, Est. Growth EPS, Reward/Risk (Upside- Downside ratio), Rate of Return, Projected Average Return, Total Return, % of Portfolio, % P/E /

Growth (PEG), % Difference Sales Growth, % Difference PTP Growth, % Difference EPS Growth, Dividend, % Yield.

3) Click on either the descending “**A-Z**” or the ascending “**Z-A**” button.

NOTE: You can also move your cursor over the heading of the column on which you wish to rank the report. The cursor will change to an up-arrow. To sort in an ascending (Z-A—lowest to highest, or worst to best) simply click on that column heading. To sort in the opposite direction, hold down the [Shift] key and click to change to a down-arrow and sort in a descending order (A-Z—highest to lowest, best to worst).

4) Click on the Internet to open your browser to the Yahoo Web site. With it already populated with the stocks in your portfolio and all of the latest news listed by company.

Highlighting Alerts on Portfolio Review Form

The Portfolio Review form also has “area number highlighting” to alert you when the numbers fall outside of the normal range.

Pink Background Caution Alerts

	EPS		SALES		PRE-TAX PROFIT			TTM EPS	
QTR END	\$	% CHG	MILL \$	% CHG	MILL \$	% CHG	% SALES	\$	% CHG
03/09	0.95		1,610.4		144.7		9.0%	3.57	
03/08	0.85		1,542.4		129.1		8.4%	2.69	
		11.5%		4.4%		12.1%			32.7%
02/09	0.55		1,923.3		231.8		12.1%	1.64	
02/08	0.64		1,933.2		265.1		13.7%	2.09	
		-15.1%		-0.5%		-12.5%			-21.2%

The **EPS**, **Sales**, **Pre-Tax Profit**, and **Trailing 12 months EPS** will be **Pink** if their **Growth Rates** are less than the Estimated Growth Rates EPS.

Yellow Background Caution Alerts

The **Proj RV** (Relative Value) will be **yellow** if the RV is less than 80 percent or higher than 150%.

RWD/RSK (Reward/Risk Ratio) will be **yellow** if the ratio is less than 3 to 1.

% Total Return will be **yellow** if the figure is less than 10%.

PROJ RV	PROJ 5 YR P/E RATIOS			EST EPS GROWTH	PEG RATIO	RWD / RSK	% TOTAL RETURN
	HI	AVG	LOW				
83.1	32.1	25.8	19.4	-10.0	-214.1	0.0-	-1
-13.1	17.6	14.1	10.5	0.0	NAN	0.0-	.
130.3	33.0	27.4	21.8	9.8	364.1	0.4	6.6

Red Price Dates

The Date when the stock Price was last updated will be in **red** if it is older than seven (7) days.

How to Open Quarterly Trend Analysis from Portfolio Review

If you use **Toolkit 6's** portfolio management process, you will usually open **Quarterly Trend Analysis** from the **Alerts** window. If not, the most intuitive means of opening it is directly from the Portfolio Review, to further your research.

Within the **Portfolio Review** form you may open the **Quarterly Trend Analysis** form for any company by double-clicking on the company's row of data. An information pop-up appears when you rest your cursor to let you know this feature is available.

See "**What and Why...**" for more details about using **Quarterly Trend Analysis**.

Portfolio Trend Report

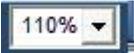
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Portfolio Sample Portfolio
Prepared using Toolkit 6

Date: 06/15/2009

TICKER	COMPANY NAME Size	PERCENT CHANGE				EST. EPS GROWTH	PROJECTED AVG. RET.	DUAL RETURN	NUMBER OF SHARES	DOLLAR VALUE	% OF PORTFOLIO	SW/DRG Recommend
		QTR. SALES	QTR. PTP	QTR. EPS	12 Mo. EPS							
ACB	All Isted Computer Brics	-4.4%	12.1%	11.48%	32.74%	6.7%	10.4%	12.8%	23	928.2	8.6%	
	Large	6.7%	7.6%	-5.24%	30.37%					46.41		
BBBY	Bed Bath & Beyond	-0.5%	-12.5%	-15.26%	-21.23%	6.2%	5.9%	9.7%	23	861,203	8.2%	
	Large	0.7%	-33.6%	-31.37%	19.53%					561.2		
TDO	Family Dollar Store	0.7%	37.2%	30.11%	26.43%	7.2%	6.5%	12.5%	23	861,203	4.4%	
	Large	4.2%	12.5%	14.95%	5.31%					369.3		
FRU	Fruite	-20.3%	-4.4%	11.56%	-9.74%	8.0%	5.0%	7.3%	23	861,203	7.0%	
	Medium	177.0%	92.0%	14.16%	-14.72%					353.7		
GE	General Electric Co.	7.6%	62.6%	-26.76%	-31.11%	4.2%	27.6%	26.6%	23	861,203	2.1%	Buy
	Large	-4.6%	-138.6%	-100.32%	-23.13%					270.2		
HOG	Harley-Davidson	-1.2%	-11.6%	-24.78%	-31.21%	7.0%	32.1%	36.4%	23	861,203	2.1%	Buy
	Large	-6.6%	-57.0%	-55.44%	-24.37%					333.0		
JNJ	Johnson & Johnson	-1.6%	36.1%	25.11%	12.03%	5.0%	11.0%	15.0%	23	861,203	8.1%	Buy
	Large	0.4%	0.0%	9.35%	7.43%					112.2		
JCI	Johnson Controls	-32.6%	-42.0%	-141.37%	-49.32%	4.0%	12.2%	10.0%	23	861,203	3.2%	
	Large	-22.6%	-134.1%	-123.36%	-17.52%					431.4		
KSS	Kohls Corp	-4.6%	-17.6%	-14.93%	-14.51%	2.2%	4.7%	10.0%	23	861,203	7.0%	
	Large	0.6%	17.6%	13.96%	12.99%					93.3		
LLL	L-3 Communications	3.7%	3.5%	0.73%	12.53%	11.0%	28.3%	32.6%	23	861,203	11.1%	Buy
	Large	5.4%	6.5%	22.56%	14.39%					1488.0		
TTTC	Tiara Technology Corp	-13.7%	-7.1%	5.13%	24.15%	5.9%	16.6%	37.1%	53	861,203	8.8%	Buy
	Medium	10.3%	11.4%	20.36%	28.44%					1159.3		
ORLY	Orion Automotive	80.1%	33.6%	15.33%	-3.57%	8.0%	1.7%	6.2%	23	861,203	5.4%	
	Medium	84.0%	0.4%	-2.57%	-8.52%					203.3		

PURPOSE: To analyze the trend of the operations of the companies in the portfolio over two consecutive quarters relative to earnings, sales, and pre-tax profit in order to view the “trend of the trends.” For further information, see **“What and why.”**

Using the Portfolio Trend Report:

- 1) From any portfolio report, click on **“Select Views”** drop-down menu, then click on **“TREND”** to highlight and select. This will open the **“Trend Report.”**
- 2) Adjust the size of the **Trend Report** by clicking on the button and selecting a percentage number. 

- 3) **NOTE:** The resized **Trend Report** will reopen to this same new size the next time it is opened. Window size depends on the size of your monitor and your screen resolution settings.)
- 4) Your stocks will appear ranked in whatever order they were in before you opened the report.
- 5) You may sort them in the same fashion as the **Portfolio Review**. See “**Sorting Portfolio Review Data**” for more information.

Portfolio Summary Report

PURPOSE: To summarize, in report form, the stocks in a portfolio along with the **Stock Management Guide’s “Buy,” “Hold,” or “Sell”** “recommendations.”

TICKER	COMPANY NAME	DATE	PRICE	P/E	TOT RET	REL VAL	U / D	BUY	SELL	% Post REC
FBC	FLAGSTAR BANCORP.	05/02/08	7.97	-12.3	1.26	-153.8	0.0	6.7	-3.6	1.74%
BBBY	BED BATH & BEYOND	05/02/08	29.88	14.3	39.28	50.7	10.6	64.1	110.4	7.83% Buy
ORLY	O'REILLY AUTOMOTIV	02/08/08	29.68	14.1	26.62	72.3	9.9	47.5	72.0	6.48% Buy
INTC	INTEL CORPORATION	02/08/08	20.27	17.3	3.27	32.2	0.8	17.0	20.2	3.54%
AMGN	AMGEN INC	05/07/08	42.61	11.1	51.16	41.7	99.9	141.3	238.8	37.23% Buy
SDS	SUNGARD DATA SYSTE	02/08/08	84.77	44.4	-1.22	213.8	0.0	33.5	47.2	14.15% Sell
JNJ	JOHNSON & JOHNSON	02/08/08	62.03	20.0	20.52	96.6	7.9	83.4	115.7	10.84% Buy
FAST	FASTENAL COMPANY	08/02/08	40.89	24.9	4.02	81.4	0.4	28.0	38.8	14.29%
PFE	PFIZER INC.	02/08/08	22.30	12.6	34.80	43.6	99.9	47.1	70.8	3.90% Buy

Using the Portfolio Summary:

- 1) From any portfolio report, click on “**Select Views**” drop-down menu, then click on “**Summary**” to highlight and select. This will open the “**Portfolio Summary.**”
- 2) Your stocks will appear, ranked in whatever order they were ranked previously. You may sort them in the same fashion as the Portfolio Review. See “**Sorting Portfolio Review Data**” for more information.

Portfolio Defense Report

Purpose: To serve as a reminder of the reasons for defensive “sell” decisions and the “hold” and “sell” status of your portfolio when you contact your broker to execute the trades required to implement your defensive strategy.

COMPANY	TICKER	QTR END	SALES			PRE-TAX PROFIT			EPS		ACTION
			FCST GROWTH	% CHG SALES	PERCT DIFF	FCST EPS GROWTH	% CHG PTP	PERCT DIFF	% CHG EPS	PERCT DIFF	
CERNER CORP	CERN	12/12	20.0	15.4	-23%	23%	19%	-13%	21.2	-48%	
				21.0	4.9		25.1	9.2	28.0	21.9	
ACCENTURE LTD	ACN	11/12	10.0	1.8	-89%	15%	5.4	-44%	10.4	-30.8%	SELL
				4.9	-51.1		8.1	-45.9	11.0	-26.8	
BED BATH & BEYOND INC	BBBY	11/12	9.0	15.3	69.8%	25%	8.6	-87.6%	8.4	-46.3%	HOLD
				10.5	16.6		7.6	-49.8%	17.2	-31.2%	
QUALITY SYSTEMS INC	QSH	12/12	15.0	1.5	-48.7%	19%	-20.1	-247.7%	-27.8	-246.2%	SELL
				9.6	-36.2		-21.9	-215.1	-24.0	-226.2%	

Using the Portfolio Defense Report

- 1) From any portfolio report, click on “**Select Views**” drop-down menu, then click on “**Defense**” to highlight and select. This will open the “**Portfolio Defense Report.**”
- 2) Your stocks will appear, ranked in whatever order they were ranked previously. You may sort them in the same fashion as the Portfolio Review. See “**Sorting Portfolio Review Data**” for more information.

Portfolio Offense Report

Purpose: The **Offense Report** serves as a reminder of companies that may be overvalued, based on your judgment. It lists all of the companies in your selected portfolio and highlights those whose reward is less than, and/or the risk more than, the thresholds you have set for those measurements. Company-specific thresholds which were set in the **Portfolio Overview** will be shown in blue.

COMPANY	TICKER	QTR. END	RELATIVE VALUE	PROJECTED REL VAL	RWD/RISK RATIO	TOTAL RETURN	TARGET RETURN	ACTION
ACCENTURE LTD	ACN	11/12	128.1	111.6	2.4	13.6	18.0	SELL
BED BATH & BEYOND INC	BBBY	11/12	105.7	84.8	20.7	30.7	15.0	
CERNER CORP	CERN	12/12	122.7	150.7	2.5	22.2	15.0	
QUALITY SYSTEMS INC	QSII	12/12	62.8	45.5	11.8	36.5	15.0	

Using the Portfolio Offense Report

- 1) From any portfolio report, click on “**Select Views**” drop-down menu, then click on “**Offense**” to highlight and select. This will open the “**Portfolio Offense Report.**”
- 2) Your stocks will appear, ranked in whatever order they were ranked previously. You may sort them in the same fashion as the Portfolio Review. See “**Sorting Portfolio Review Data**” for more information.

Sector/Industry Diversification

Purpose: The Sector and Industry Diversification Report allows you to see if your portfolio is well balanced in a quick glance. This report quickly shows you if you need to diversify your portfolio or if you own too many shares or companies in a particular sector or industry.

		SECTOR/INDUSTRY DIVERSIFICATION		11/20/12	
SEC	IND	MARKET VALUE	PERCENTILE (Portfolio)	PERCENTILE (Industry)	PERCENTILE (Sector)
Consumer Cyclical					
* Retail - Discretionary					
	DEPT 56 STORES, INC.	435.1	1.00%	100.00%	100.00%
	DEPT 56 STORES, INC.	(1,355.3)	(1.00%)		
Financial Services					
* Retail - Financial					
	WALK STREET CAPITAL	(200.4)	(0.15%)	1.00%	1.78%
** Energy					
* Medical Distribution					
	WATERBURY SUPPLY	41,194.1	1.13%	17.10%	14.11%
	WATERBURY SUPPLY	41,005.0	11.13%	22.14%	

*** Retail					
* Industrial Distribution					
	PERMUTUITY PAY	(1,558.9)	(0.10%)	26.58%	26.58%

Technology					
* Semiconductors					
	INTEL CORPORATION	(405.0)	(0.27%)	6.37%	3.47%
		TOTAL	\$0,000.0		100

Using the Sector/Industry Diversification Report

- 1) From any portfolio report, click on “**Select Views**” drop-down menu, then click on “**Sector/Industry**” to highlight and select. This will open the “**Sector/Industry Report.**”
- 2) Your stocks will appear, ordered by Sector, then Industry, then security name.

Company Size Diversification

Purpose: Similar to the **Sector/Industry Report**, the **Company Size Diversification Report** is designed to help make sure your portfolio is diversified. The report divides up your portfolio into five categories (Micro, Small, Mid, Large, and Mega) based on yearly revenue.

COMPANY SIZE DIVERSIFICATION		11/20/18	
SECTOR	COMPANY	MARKET VALUE	% OF PORT
Small			
STCW - STCW	Steg	\$65.4	1.75%
	Total Small Companies	\$65.4	1.75%
Large			
SBK - SBK	UPBILITY SUBSIDIARY, INC.	\$1,978.2	51.96%
	Total Large Companies	\$1,978.2	51.96%
Micro			
ESUM - ESUM	East Street Capital	\$299.4	4.75%
	Total Micro Companies	\$299.4	4.75%
Mid			
MSCK - MSCK	EMV Veterinary Supply PARTNER COMPANY	\$1,009.4 (\$1,558.8)	15.10% 26.55%
	Total Mid Companies	(\$2,728.0)	45.51%
Other			
MSB - MSB	LYRIS SUPPLEMENTUM	\$90.0	0.70%
	JOHNSON & JOHNSON	\$1,101.0	28.14%
	Total Other Companies	\$1,191.0	20.56%
	Total	(\$8,155.2)	100%

Using the Company Size Diversification Report

- 1) From any portfolio report, click on “**Select Views**” drop-down menu, then click on “**Company Size**” to highlight and select. This will open the “**Company Size Report.**”
- 2) Your stocks will appear, grouped by revenue size.

Quarterly Trend Analysis

Using Quarterly Trend Analysis

There are two ways to view the **Quarterly Trend Analysis**:

- 1) If you are in an **Stock Study** (or **Stock Management Guide, Quarterly Trend Graph** or **Annual P/E Analysis**), you may open a **Quarterly Trend Analysis** by moving your cursor over the Se-

lect View drop-down menu and then clicking on “**Quarterly Trend Analysis**” on the Company Toolbar.

- 2) If you are in **Portfolio Review**, move your cursor anywhere on the line for the company you wish to analyze, and the cursor will change to black. Double-click to open **Quarterly Trend Analysis**.

Entering Data in Quarterly Trend Analysis

The **Quarterly Trend Analysis** also provides access to the Quarterly Data entry screen for entering quarterly earnings, sales, pre-tax profit, and income taxes, as well as access to the company “**Data Entry**” screens.

- 1) Open the data entry screen by clicking anywhere on the quarterly data portion of the **Quarterly Trend Analysis** (the left side).

QUARTERLY DATA								
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX DOLLARS
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE	
01/10	0.22	22.2	83.00	6.8	207.4	1,213.0	4.0	5.1
04/10	0.31	100F	139.00	10.9	100F	1,271.0	16.5	29.3
07/10	0.58	100F	227.00	16.4	100F	1,384.0	30.9	22.8
10/10	0.83	1,085.7	243.00	15.4	207.6	1,576.0	35.0	-52.5
01/11	0.54	145.5	198.00	13.0	138.6	1,519.0	25.2	6.3
04/11	0.56	80.6	260.00	15.5	87.1	1,677.0	31.9	61.2
07/11	0.92	58.6	281.00	16.6	23.8	1,691.0	22.2	-47.4
10/11	0.81	-2.4	293.00	17.0	20.6	1,728.0	9.6	5.4
01/12	0.65	20.4	256.00	15.7	29.3	1,635.0	7.6	27.2
04/12	0.72	28.6	293.00	16.9	12.7	1,733.0	3.3	38.1
07/12	0.69	-25.0	238.00	13.8	-15.3	1,723.0	1.9	-5.6
10/12	1.21	49.4	256.00	14.5	-12.6	1,767.0	2.3	-171.1
01/13	0.51	-21.5	195.00	11.6	-23.8	1,680.0	2.8	15.5
04/13								
07/13								
10/13								

Quarterly Trend Graph



- 1) To open a **Quarterly Trend Graph**, click on the “**Quarterly Trend Graph**” button on the Company Toolbar in a **Stock Study** (or **Stock Management Guide, Quarterly Trend Analysis, or Annual P/E Analysis**).
- 2) Select the different items to graph, by choosing among the options in the “**Select Items to Graph, “Using Which Data,” and “Show”** checkboxes.

Annual P/E Analysis

Using Annual P/E Analysis

You may open an **Annual P/E Analysis** (or **Stock Management Guide, Quarterly Trend Graph, or Stock Study**), by moving your cursor over the Select View drop-down menu, and then clicking on “**Annual P/E Analysis**” on the Company Toolbar.

No data entry is required on this screen. Toolkit automatically transfers data from company data screens and completes all necessary computations. When there is insufficient data to compute a 5-year average, Toolkit averages the years available. “NMF” (no meaningful figure) appears whenever there is a division by zero. You should review the corresponding entries on the company’s annual data screen if this occurs.

Toolkit 6 also has the ability to eliminate outliers for the full ten years or High and Low P/E information.

- 1) Click on any of the high or low P/E fields to cross out that field and average the remaining data.
- 2) The strikeouts will show up as defaults in the “**Judgment: High/Low P/E**” dialog in Section 4 of your **Stock Study** if you are forecasting your P/Es for the first time.

P/E RATIO	
HIGH	LOW
33.3	14.9
20.8	12.4
31.7	14.1
34.0	21.2
26.3	15.8
15.1	11.3
19.0	14.7
22.1	16.6
24.7	18.8
18.0	12.2

Stock Management Guide

Using the Stock Management Guide

You may open a **Stock Management Guide** (or **Annual P/E Analysis**, **Quarterly Trend Graph**, or **Stock Study** by moving your cursor over the “**Select view**” drop-down menu and selecting “**Stock Mgmt Guide**.” To view the back of the form, click on the “**Stock Mgmt Guide Back**” button, and to return to the front, click “**Stock Mgmt Guide Front**.”

How to Enter Data in the Stock Management Guide

3 CUMULATIVE EARNINGS AND CURRENT PRICE-EARNINGS RATIO COMPUTATIONS

1	2	3	4	5	6	7	8	9	10	11	12
3 Months Ending	Earnings per Share	Total Earnings for last 4 Quarters	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting
09/03	0.24		10/03	26.14		11/03	26.71		12/03	27.37	
12/03	0.14		01/04	27.65		02/04	24.53		03/04	24.93	
03/04	0.12	0.68	04/04	26.13	38.4	05/04	26.23	38.6	06/04	28.56	42.0
06/04	0.25	0.75	07/04	28.43	38.0	08/04	27.30	36.4	09/04	27.65	36.3
09/04	0.23	0.74	10/04	27.97	37.7	11/04	26.81	36.1	12/04	26.72	36.0
12/04	0.32	0.92	01/05	26.28	28.7	02/05	26.14	27.5	03/05	24.17	26.4
09/05	0.23	1.03	04/05	25.30	24.6	05/05	25.80	25.1	06/05	24.84	24.1
06/05	0.34	1.12	07/05	25.61	22.8	08/05	27.38	24.4	09/05	26.73	23.0
09/05	0.29	1.18	10/05	25.70	21.8	11/05	27.68	23.4	12/05	24.18	22.1
12/05	0.34	1.21	01/06	28.18	23.3	02/06	24.87	22.2	03/06	27.21	22.5
03/06	0.29	1.26	04/06	24.15	19.2	05/06	22.65	18.0	06/06	23.30	18.5
06/06	0.27	1.19	07/06	24.06	20.2	08/06	25.70	21.6	09/06	27.35	23.0
09/06	0.35	1.25	10/06	28.71	23.1	11/06	29.36	23.6	12/06	29.86	24.0
12/06	0.26	1.17	01/07	30.84	24.5	02/07	28.17	24.2	03/07	27.87	23.3
03/07	0.50	1.38	04/07	29.94	21.7	05/07	30.69	22.3	06/07	29.47	21.4
06/07	0.31	1.42	07/07	28.99	20.5	08/07	28.73	20.3	09/07	29.46	20.8
09/07	0.45	1.52	10/07	36.81	24.2	11/07	33.60	22.1	12/07	35.60	23.4
12/07	0.50	1.75	01/08	32.60	18.6	02/08	27.20	15.5	03/08	28.38	16.2
03/08	0.47	1.72	04/08	28.52	16.6	05/08	29.24	17.0	06/08		
06/08			07/08			08/08			09/08		
09/08			10/08			11/08			12/08		
12/08			01/09			02/09			03/09		
03/09			04/09			05/09			06/09		
06/09			07/09			08/09			09/09		

The **Stock Management Guide** also provides data entry access for the “Section 3: Cumulative Earnings and Current Price-Earnings Computations,” as well as access to the Company “Data Entry” screens.

- 1) To open the **Stock Management Guide** Data entry screen for Section 3, either click on the “**Stock Management Guide** Data” button located on **Stock Management Guide** Toolbar, or double-click anywhere on the **Stock Management Guide** Section 3, within the green highlighted area (if “Active Area Highlighting” is enabled in Preferences).
- 2) Click in the space next to the quarter and enter the quarterly earnings data. (**NOTE:** After four consecutive quarters of data have been entered, “Total Earnings for last 4 quarters” will be calculated automatically.)

3) Enter the Price of the stock when you had your investment club meeting. The P/E at Time of Meeting will be calculated automatically.

4) After updating the data or when you want to return to the “**Stock Management Guide**” click the “**Close**” button at the bottom of the page (or the close “**X**” in the top-right corner).

3 CUMULATIVE EARNINGS AND CURRENT PRICE/EARNINGS RATIO COMPUTATIONS

1	2	3	4	5	6	7	8	9	10	11	12
1/2 Price of Meeting	Current Price	Total Earnings to Date	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting
01/00	0.44		02/00			03/00			04/00		
04/00	0.43		05/00	37.39		06/00	35.14		07/00	34.04	
08/00	0.43		09/00	35.76		10/00	29.96		11/00	27.19	
12/00	0.64	2.00	13/00	18.83	9.4	14/00	15.53	7.0	15/00	18.06	9.0
01/01	0.10	1.73	02/01	13.07	8.0	03/01	15.37	8.0	04/01	18.28	10.5
04/01	-0.29	0.90	05/01	18.73	18.5	06/01	26.11	29.7	07/01	21.22	29.7
08/01	-0.10	0.43	09/01	25.08	54.5	10/01	27.03	59.2	11/01	24.74	52.6
12/01	0.09	-0.10	13/01	28.92	-289.2	14/01	31.07	-380.1	15/01	29.03	-289.2
01/10	0.21	-0.06	02/10	31.46	-124.3	03/10	34.39	-513.2	04/10	30.28	-664.3
06/10	0.31	0.54	07/10	32.36	39.9	08/10	38.43	52.8	09/10	29.93	51.7
10/10	0.50	1.10	11/10	26.97	27.9	12/10	33.37	26.3	01/11	34.00	29.5
12/10	0.01	1.94	13/10	35.07	18.1	14/10	41.43	21.4	01/11	41.03	21.6
03/11	0.54	2.20	02/11	42.08	38.0	03/11	44.90	19.8	04/11	49.93	22.1
04/11	0.54	2.51	05/11	49.07	19.9	06/11	53.13	29.4	07/11	42.18	16.8
09/11	0.92	2.89	08/11	36.07	12.9	09/11	31.25	13.8	10/11	39.93	13.8
12/11	0.08	2.83	13/11	37.58	13.3	14/11	34.93	12.3	01/12	42.42	15.8

The Challenger

The Stock Challenger application helps you to challenge a current holding with which you may be dissatisfied with another company that has better prospects or higher quality. To launch the Challenger:

- 1) Open your **Stock Library** by clicking the “**Library**” tab.
- 2) Select the portfolio that holds the stock you would like to challenge.
- 3) Click to select the specific company that you wish to challenge
- 4) Click on the “**Challenge**” button at the bottom right-hand corner of the Portfolio section of your library. 
- 5) Within the “**Challenge Parameters**” screen enter:

AT&T, Incorporated

Shares Owned this Portfolio: 3

Sell: 30

Average cost per share: \$ 36

Proceeds taxed at: 15 %

Broker Type: Flat Fee 20

Ok Cancel ?

“Number of Shares to Sell” (This will already be filled out if you have done so when you created the portfolio.)

“Average Cost Per Share”: If you purchased the stock at different times at different prices, enter the average price per share; otherwise, enter the purchase price. You may also prorate commissions if they are significant.

“Proceeds Taxed At”: Your income tax rate, used to calculate and deduct the taxes you will have to pay on this sale. The program defaults to 15%, or whatever you chose to have it default to when you created the portfolio—assuming capital gains treatment.

- 6) Next to Broker Type will be listed the type of Brokerage you set up with the portfolio, either **“Full Service Broker,” “Discount Broker,”** or **“Flat Fee”** broker. If you will be charged a **“Flat Fee,”** enter the fee (\$) for both the Sale and Purchase. Toolkit’s default brokerage fees are based on an industry chart of average commissions.
- 7) Click **“Ok”** button to view the **“Smart Challenger,”** a list of suitable **Challengers** from which you can select a candidate. (See the **“What and Why...”** section for information about this tool.
- 8) Before you are presented with challenger companies you will be presented with a warning screen that informs you that you should

not replace a company with one whose fundamentals do not meet your expectations. **NOTE:** You may disable this warning.

9) Click **OK** to close the warning alert box, if open.

Ticker	Name	Industry	Quality	Tot Return	Sales Growth	EPS Growth	Profit Margin	Ts and PTP	Sales R ²	EPS R ²
IRM	Iron Mountain, Incorporated	Business Services		132.5%	24.8	156.4	9.1	DOWN	0.88	0.76
FLWS	1-800-Flowers.com, Inc.	Specialty Retail, Other		116.2%	12.4	140.7	2.9	EVEN	0.99	0.61
NVDA	NVIDIA Corporation	Semiconductor - Specialized		53.5%	28.4	28.6	13.0	UP	0.87	0.66
BBBY	Bed Bath & Beyond, Inc.	Home Furnishing Stores		49.6%	22.5	27.2	14.7	DOWN	0.98	0.99
BBY	Best Buy Company, Inc.	Electronics Stores		43.2%	17.3	27.2	5.4	UP	0.98	0.94
ORCL	ORACLE CORP	Systems Software	B	37.6%	13.4	25.2	36.0	UP	0.76	0.93
MSFT	Microsoft Corporation	Application Software		27.1%	13.6	9.9	40.2	DOWN	0.98	0.79
TCHC	21st Century Holding Company	Property & Casualty Insurance		25.6%	22.1	47.6	13.4	UP	0.98	0.12
BBBY	BED BATH & BEYOND INC.	Specialty Stores		21.3%	29.5	31.7	12.7	UP	0.99	1.00
MMM	3M Company	Conglomerates		19.9%	5.6	12.1	21.3	EVEN	0.99	0.87
GE	General Electric Z	Conglomerates		15.7%	5.6	8.4	14.4	EVEN	0.94	0.96
T	AT&T, Incorporated	Telecom Services - Domestic		7.2%	8.4	-2.6	17.0	DOWN	0.43	0.24




10) The Challenged company will be displayed and highlighted, then ranked by **Total Return** with all of the other prospective Challengers.

11) Select the Challenger company

12) Click **“Ok”** to review the Challenge Results.

13) To enter new parameters, click **“Parameters”** at the top of the **“Challenge Results”** screen.

14) To select another company click **“Company List”** at the top of the screen. This re-opens the **“Smart Challenger”** for another candidate.

15) When you finish making changes, click on **“Close”** to return to the **Home Page**.

Parameters Company List Print Help

Ticker:	INTC	XOM
Company:	INTEL CORPORATIO	EXXON MOBIL CORP
Hist Sales Growth:	6.1	10.4
Hist EPS Growth:	0.9	10.3
Sales R-Squared:	64.2	82.5
EPS R-Squared:	0.2	60.6
5-Year Profit Margin:	24.7	13.8
5-Year Avg. ROE:	14.0	20.7
Profit Margin Trend:	UP	UP
ROE Trend:	UP	UP
Quality Source/Rating:	S&P/A	S&P/A-
Current Price:	20.27	81.71
Gross Proceeds:	405.40	
Brokerage on Sale:	30.00	
Net On Sale:	375.40	
Capital Gain/Loss:	175.40	
Shares of Challenger:		3.9
Tax on Gain/Loss:		26.31
Brokerage on Purchase:		30.00
After Tax Starting Value:	349.09	319.09
After Tax Value End Year 1	360.3	331.0
After Tax Value End Year 2	372.0	373.7
After Tax Value End Year 3	384.0	422.2
After Tax Value End Year 4	396.4	477.4
After Tax Value End Year 5	409.2	540.2
Total Return:	3.3	13.8

Ticker: INTC XOM
 Company: INTEL CORPORA EXXON MOBIL
 Start Invest: 349.09 319.09
 Total Return: 3.3 % 13.8 %

From the sale of your 20 shares of INTC at 20.27 and after paying your discount broker \$30, you would gross \$405 for a capital gain of \$175 with which you could purchase 4 shares of XOM at 81.71 a share. After paying a tax of \$26 on the gain and \$30 to your broker for the trade, you would start with \$319

Close