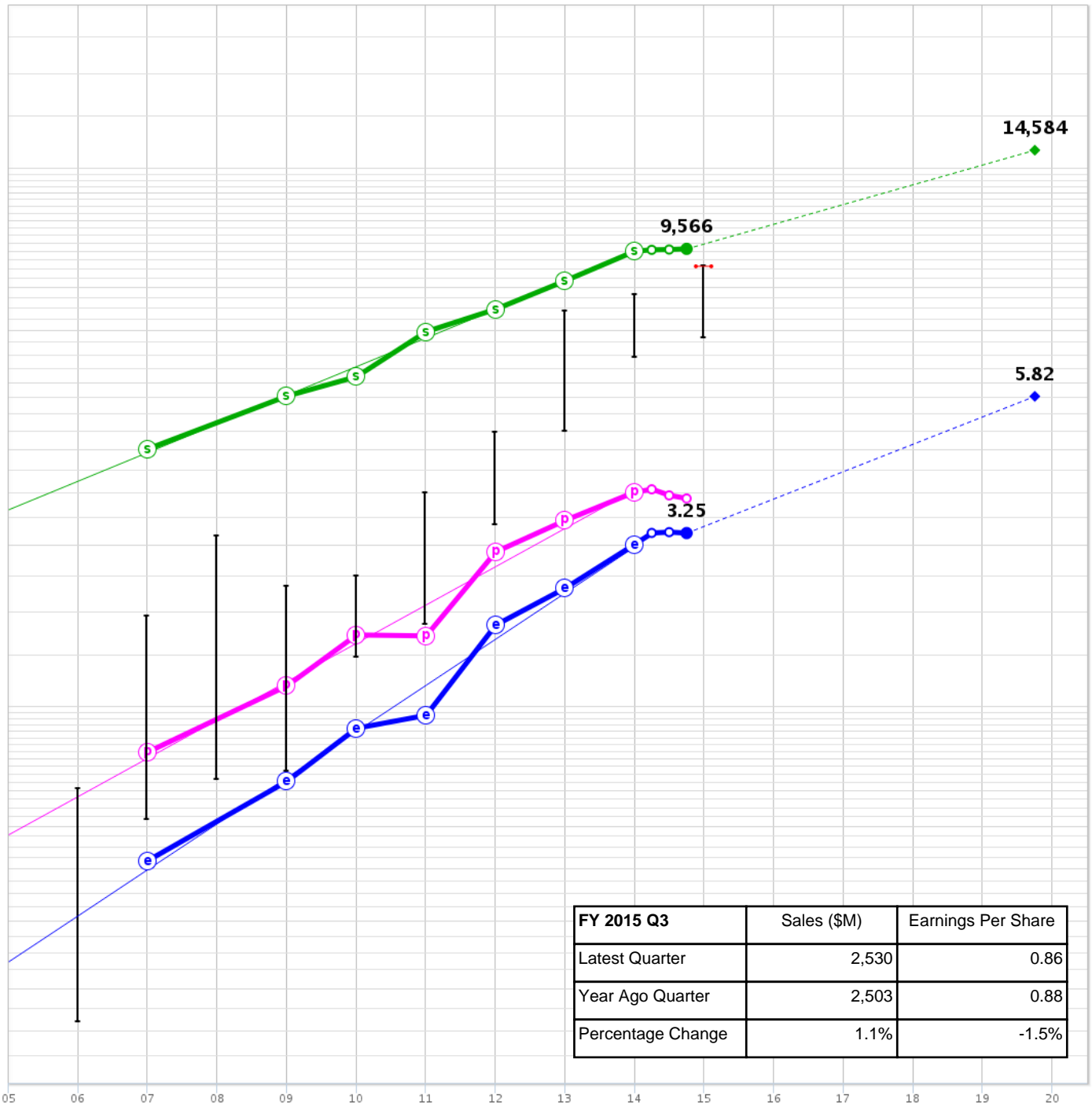


Company	MasterCard	Date	11/06/15
Prepared by	BILLMYER	Data taken from	BI Stock Data
Where traded	NYS	Industry	Credit Services
Capitalization --- Outstanding Amounts	Reference		
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	1,133.0	0.1	89.3
Debt (\$M)	1,495.0	% to Tot Cap	19.3
		% Pot Dil	0.3

Stock Selection Guide

Symbol: MA

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2015 Q3	Sales (\$M)	Earnings Per Share
Latest Quarter	2,530	0.86
Year Ago Quarter	2,503	0.88
Percentage Change	1.1%	-1.5%

- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 13.0% | (3) Historical Earnings Per Share Growth | 21.8% |
| (2) Estimated Future Sales Growth | 8.8% | (4) Estimated Future Earnings Per Share Growth | 12.4% |

2 EVALUATING Management

MasterCard

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	13.9%	8.8%	41.1%	-7.7%	43.5%	49.8%	40.9%	53.2%	53.9%	53.6%	50.3%
% Earned on Equity		2.2%	34.7%	-13.1%	35.8%	33.4%	30.5%	37.6%	40.0%	54.9%	39.3%
% Debt To Capital	16.4%	8.9%	7.1%	8.1%	0.6%	0.0%	0.0%	0.0%	0.0%	18.0%	3.6%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 101.50 (11/06/15)

HIGH THIS YEAR 101.65

LOW THIS YEAR 74.61

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2010	27.0	19.1	1.41	19.2	13.6	0.06	4.3	0.3
2011	38.5	21.9	1.49	25.9	14.7	0.06	4.0	0.3
2012	49.9	33.6	2.19	22.8	15.4	0.12	5.5	0.4
2013	83.9	50.1	2.57	32.7	19.5	0.29	11.3	0.6
2014	89.9	68.7	3.09	29.0	22.2	0.49	15.8	0.7
AVERAGE		38.7		22.6	17.1		8.2	
CURRENT/TTM			3.25			0.64	19.7	
AVERAGE PRICE EARNINGS RATIO 19.8				CURRENT PRICE EARNINGS RATIO 31.3				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 22.6 X Estimate High Earnings/Share 5.82 = Forecasted High Price \$ 131.5

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 16.5 X Estimate Low Earnings/Share 3.09 = Forecasted Low Price \$ 51.0

(b) Avg. Low Price of Last 5 Years 38.7

(c) Recent Market Low Price 50.1

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.49}{0.71\%} = 68.7$

Selected Forecasted Low Price \$ 74.6

C ZONING using 25%-50%-25%

Forecasted High Price 131.5 Minus Forecasted Low Price 74.6 = 56.9 Range. 25% of Range 14.2

Buy Zone 74.6 to 88.8

Hold Zone 88.8 to 117.3

Sell Zone 117.3 to 131.5

Present Market Price of 101.50 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{131.5 - 101.50}{101.50 - 74.6} = \frac{30.03}{26.90} = 1.1$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{131.5 - 101.50}{101.50} = 1.2959 \times 100 = 129.59 - 100 = 29.6$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.49}{101.50} = 0.0063 = 0.6\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{8.2\%}{22.60} = 0.4\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{8.2\%}{19.55} = 0.4\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 5.3 %
Average Yield 0.4 %
Annualized Rate of Return 5.7 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 2.3 %
Average Yield 0.4 %
Annualized Rate of Return 2.7 %