**Southeastern Michigan Better Investing Model Club**

**Meeting Minutes**

**Date:** Saturday August 21, 2021

**Start Time:** 10:04 AM

**Completion Time:** 12:09 PM

**Location:** Go To Meeting

 By phone 1-215-383-1002

 <https://.gotomeeting.com/join/145688913>

 Meeting ID #145688913

**Next Meeting:** Saturday, September 21, 2021 at GTM

**Agenda Items**

**1. Call to Order and Presiding Partner’s Opening Remarks Ram**

FAAMG 6-ceazon, Appl, Microsoft, Google).

Netflix dropped from FANG (Facebook, Amazon, Netflix, Goo

**Members in Attendance:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **In Person** | **GTM** | **Name** | **In Person** | **GTM** |
| **Officers:** |  |  | **Members:** |  |  |
| Ram Ganapathi |  | X | Bill Gordon |  | Absent |
| Cliff Trent |  | X | Curt Cormier |  | Absent |
| Jane Bellaver |  | X | Deb Brown |  | X |
| Brittany Johnson |  | X | Jim Barrett |  | X |
| Joe Bowen |  | X | Teresa Barr |  | X |
|  |  |  | Sudip Suvedi |  | X |
|  |  |  | Tony Profota |  | X |
|  |  |  | Aaron Thomas |  | X |
|  |  |  | Pedro Ortiz |  | Absent |

**Guests in Attendance GTM: Peggy Kingston, David Brohl, Bill Oleszczak**

**Minutes edits for July Minutes: Change AAPL update to 7/21. Joe motioned to accept the July Minutes with changes, seconded by Ram. All in favor.**

**2. Treasurer’s Report (Brittany Johnson)**

Financials Update As of 8-20-2021

|  |  |
| --- | --- |
| * Securities Total
* Interactive Cash
* Portfolio Value
* Unit Value
 | $ 266,503.73$ 1,259.73$ 267,763.45$ 56.727178 |
| * Benchmark
 | 5 yr growth 18.4% VFINX 16.7% MIPAR 11.5 % Manifest Quality 89.9%  |

**Mail checks to Cliff Trent 36539 St. Clair Dr, New Baltimore, MI 48047**

**Purchases 2021**

 **TICKER SHARES**

**Sales**

 **TICKER SHARES**

**3 Presentation Team C on methodology for doing an industry study**

* **Brittany SSG Review**
	+ **Growth and management**
	+ **Forecast sales and earnings returns in 5 years.**
	+ **Evaluate risk and reward (buy, hold, sell)**
	+ **Valuation and return**
* **Company under review Costco (COST)**
	+ **Research**
		- **Yahoo Finance**
		- **Value Line**
		- **Zach’s**
		- **Old S & P**
	+ **High and Low P/E forecasts giving low price estimate**
	+ **Risk and Return (buy, hold, sell)**
* **Ram Online Tools SSG Plus**
	+ **Prospective members should become familiar with the fundamentals of Better Investing’s stock study and present a company they are interested in.**
	+ **On the SSG**
		- **Analyze growth and quality**
		- **Costco up straight and parallel (railroad tracks)**
		- **Company information should be at least 5 years of history**
		- **Past performance is not a guarantee of future growth**
		- **On legend you can look at more parameters of the company**
			* **Book Value**
			* **Free cash flow**
			* **Dividends**
			* **Etc**
		- **Estimate sales and earnings growth**
			* **Earnings cannot usually be higher than sales in the long term. Earnings depend on sales.**
			* **Look at the Preferred Proceure to estimate earnings growth**
		- **Management evaluation**
			* **Pre-tax profit and Return on equity should be up over the last five year average**
			* **Debt to capital should be down over the last five year average**
	+ **Valuation (Section 3)**
		- **Look at the PE graph and click on Show/hide PE Chart**
			* **Take out outliers-numbers that are out of sinc with other numbers**
		- **Estimate high and low PEs to determine the low stock price.**
			* **We usually use option A that is the low P/E times the 5 year EPS forecast for the low price**
		- **Is the company a good purchase at this time**
			* **Is the upside at least 3 times greater than the downside?**
	+ **Five-year potential return**
		- **The price appreciation plus the dividends should be 15% for the company to double in 5 years**
	+ **Valuation ratios**
		- **Click on Key Ratio button to see Relative Value, Projected Relative Value and PEG ratio.**
* **Teresa discussed the Value Line Report that is a paid subscription, but many libraries give their members access to it. You should read it in sections because there is an overwhelming amount of information on the one-page company report.**
	+ **Things to consider**
		- **Capital structure**
		- **Long-term debt and percent of capital**
		- **EPS to increase every year**
		- **Revenuew to increase every year**
		- **Business model giving brief overview of the company**
		- **Commentary to see what analyst thinks of performance**
		- **Note the date of the report-should be latest**
		- **Look at company’s Financial Strength**
		- **Look at Current Position, Annual Rates, Quarterly Revenues, EPS, Quarterly dividends.**
	+ **You can find tutorials on Value Line on their website and at the library**

**4. PERT Report**

 **The Stock Watcher for DG and ETSY (none yet) should look at why sales and earnings are below our projections.**

**5. General Topics**

 **The Fidelity application is in, but as of August 18 they had no records yet of the account. Deposits to Interactive Brokers should be OK for now.**

 **The payment to Bill cannot be made until Fidelity is funded. Bill said he could wait.**

 **Three members are not making contributions. Tony said Cliff told him he should hold off until Fidelity account is funded.**

 **Bill and Peggy want to join the club. They will present in September.**

**Stock Watchers**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company** | **Watcher** | **Last****SSG** | **Last Review Date** | **Recommendation** | **Comments** |
| AAPL | Sudip | 7/21 | 7/21 | Hold | Updated the club SSG. Continue to hold the company. |
| AMZN | Ram | 5/21 | 5/21 | Hold | The company is the leader in Cloud computing. |
| DHI | Pedro | 5/21 | 5/21 | Buy | Company is very strong now. |
| CMCSA | Deb | 6/21 | 6/21 | Hold | It is a good company to hold, but maybe reduce position. |
| GOOG | Cliff | 5/21 | 5/21 | Hold | US/DS 2.5 to 1 |
| FB | Brittany | 5/21 | 5/21 | Hold | A good company |
| LCII | Deb | 6/21 | 6/21 | Bought |  |
| MNST | Aaron | 2/21 | 2/21 | Buy | US/DS 6.5 to 1 |
| LMT | Jim | 5/21 | 5/21 | Buy | It’s a good time to buy the company. |
| V | Curt | 6/21 | 6/21 | Hold | Great company continue to hold. |
| DG | Tony | 5/21 | 5/21 | Hold | US/DS 3 to 1 |
| MANT | Teresa | 5/21 | 5/21 | Hold | US/DS 1.2 to 1 |
| QCOM | Brittany | 5/21 | 5/21 | Buy | US/DS 4.1 to 1 |
| ISRG | Joe | 2/21 | 2/21 | Hold | A good company with a deep moat. |
| OLED | Jane | 5/21 | 5/21 | Buy | We could add to the company. |
| ETSY |  | 7/21 | 7/21 | Bought |  |

**6. Buy/Sell Discussion**

 **The topic of how to payoff Bill’s valuation of $18,992.62 was discussed. A motion to sell or transfer equal amounts of AAPL, V, and CMCSA to come up with the funds, taking the balance from cash, was made be Ram, 2nd by Joe. If the club has a capital gain on the company we will transfer shares. If the club has a loss on a company, we will sell it and transfer cash. Motion passed. All in favor.**

**7. Stocks to study: none**

**8. Team A is deferring their study to October to give Bill and Peggy a good opportunity to present their companies for membership in the club.**

**9. Roundtable:**

**10. Adjourn at 12:09 PM**

**Watch list: https://www.manifestinvesting.com/dashboards/public/RNTA7N6**

**REFERENCE INFO**

**Model Club Dashboard**

<https://www.manifestinvesting.com/dashboards/public/SEMIModClub>

**Team Member Breakdown revised 1/16/21**

|  |  |  |
| --- | --- | --- |
| **Team A** | **Team B** | **Team C** |
| Jane Bellaver | Joe Bowen | Teresa Barr |
| Deb Brown | Sudip Suvedi | Ram Ganapathi |
| Cliff Trent | Jim Barrett | Curt Cormier |
| Pedro Ortiz | Tony Profota | Brittany Johnson |
|  | Aaron Thomas |  |
|  |  |  |
| **Industry Screener** |  |  |
| Cliff Trent |  |  |

**Note: All Model Club members are encouraged to volunteer and participate in all Model Club activities / studies.**

**Upcoming Meeting and Event Dates:**

|  |  |  |
| --- | --- | --- |
| **Meeting / Event Name** | **Date** | **Location** |
| Next meeting | 9-21-21 | GTM |
|  |  |  |