

SEMICH NAIC MODEL CLUB – VALUATION REPORT – October 15, 2015

SE-Michigan Model Club

Reports Spreadsheet Help

Valuation (NAV) for 10/15/2015

	Shares Held	Cost Basis per Share	Total Cost Basis	Price per Share	Market Value	Unrealized Gain/(Loss)	Percent of Total
Air Lease Corp (AL)	320.3415	36.8813	11,814.60	33.2800	10,660.96	(1,153.64)	7.8%
Apple Inc (AAPL)	160.7606	56.6083	9,100.39	111.8600	17,982.68	8,882.29	13.2%
Caesarstone Sdot-Yam Ltd (CSTE)	144.3699	41.5599	6,000.00	32.3400	4,668.92	(1,331.08)	3.4%
Cognizant Technology Solutions Corp. Cl (CTSH)	386.4592	40.0782	15,488.58	64.9000	25,081.20	9,592.62	18.4%
Fastenal Co (FAST)	170.6876	41.3847	7,063.86	38.1100	6,504.90	(558.96)	4.8%
Gilead Science (GILD)	133.0342	111.4460	14,826.13	101.6400	13,521.60	(1,304.53)	9.9%
LKQ Corp (LKQ)	667.0778	19.2348	12,831.12	28.0700	18,724.87	5,893.75	13.8%
Priceline Group Inc (PCLN)	13.9132	1,232.9927	17,154.85	1,327.2900	18,466.83	1,311.98	13.6%
Skyworks Solution (SWKS)	67.2947	89.1600	6,000.00	80.2400	5,399.73	(600.27)	4.0%
T Rowe Price Group Inc (TROW)	194.5668	80.4491	15,652.72	70.2000	13,658.59	(1,994.13)	10.0%
			115,932.25		134,670.28	18,738.03	99.0%

Cash Account	Total Cost Basis	Market Value	Unrealized Gain/(Loss)	Percent of Total
Folio Investing	1,393.60	1,393.60	0.00	1.0%
Suspense	0.01	0.01	0.00	0.0%
	1,393.61	1,393.61	0.00	1.0%
Total Securities and Cash Accounts	117,325.86	136,063.89	18,738.03	100.0%

Total Number of Valuation Units to Date 5,686.458202

1 Value of One Unit \$ 23.927705

SE-Michigan Model Club

Reports Spreadsheet Help

Transaction History

09/01/2015 to 10/15/2015 Generate

Cash Accounts - Income and Expenses

Date Description

Investment Purchases, Sales, and Transfers

Date	Description	Cost Basis	Short-Term Capital Gain	Long-Term Capital Gain
09/21/2015	Sold 36.71598 shares Precision Castparts Corp (PCP) at 229.24 per share, 0.15 commission	(7,743.10)	673.52	
09/21/2015	Sold 283.99046 shares Qualcomm Inc (QCOM) at 54.2 per share, 0.28 commission	(18,690.87)	(107.84)	(3,191.02)
09/21/2015	Purchased 67.29473 shares Skyworks Solution (SWKS) at 89.16 per share	6,000.00		
09/21/2015	Purchased 4.59547 shares Priceline Group Inc (PCLN) at 1,305.6336 per share	6,000.00		
09/21/2015	Purchased 56.93681 shares Gilead Science (GILD) at 105.38 per share	6,000.00		
09/21/2015	Purchased 144.36993 shares Caesarstone Sdot-Yam Ltd (CSTE) at 41.5599 per share	6,000.00		
09/30/2015	Purchased 0.32971 shares Gilead Science (GILD) at 98.8141 per share	32.58		
09/30/2015	Purchased 1.45053 shares T Rowe Price Group Inc (TROW) at 69.2299 per share	100.42		
10/07/2015	Purchased 0.38242 shares Air Lease Corp (AL) at 33.4711 per share	12.80		
			565.68	(3,191.02)

Investment Distributions - Cash and Reinvested

Date	Description	Qualified Dividend
09/23/2015	Qualified Dividend, Qualcomm Inc (QCOM)	136.32
09/28/2015	Qualified Dividend, Precision Castparts Corp (PCP)	1.10
09/29/2015	Qualified Dividend, Gilead Science (GILD)	32.58
09/29/2015	Qualified Dividend, T Rowe Price Group Inc (TROW)	100.42
10/06/2015	Qualified Dividend, Air Lease Corp (AL)	12.80
		283.22

Investment Splits, Spin-offs and Mergers

Date Description New Shares

Member Contributions and Withdrawals

Date	Description	Cash	Units
09/17/2015	4 member payments	246.18	9.994582
09/18/2015	Payment, Gillian Todd Deposit EFT	25.19	1.022681
09/28/2015	3 member payments	300.00	12.179601
10/15/2015	Payment, Teresa Barr Deposit EFT	75.25	3.144890
		646.62	26.341754

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Reports

SE-Michigan Model Club

Investment Performance

02/20/2004 to 10/15/2015 Show All

Name	Shares	Market Value	Percent of Portfolio	Return Since	Annualized Internal Rate of Return
Cognizant Technology Solutions Corp. Cl (CTSH)	386.4592	25,081.20	18.6%	10/26/2012	27.3% detail
LKQ Corp (LKQ)	667.0778	18,724.87	13.9%	05/24/2011	25.4% detail
Apple Inc (AAPL)	160.7606	17,982.68	13.3%	10/18/2010	22.3% detail
T Rowe Price Group Inc (TROW)	194.5668	13,658.59	10.1%	10/21/2013	-5.3% detail
Air Lease Corp (AL)	320.3415	10,660.96	7.9%	03/17/2014	-8.2% detail
Fastenal Co (FAST)	170.6876	6,504.90	4.8%	04/20/2015	NA detail
Gilead Science (GILD)	133.0342	13,521.60	10.0%	06/01/2015	NA detail
Priceline Group Inc (PCLN)	13.9132	18,466.83	13.7%	06/22/2015	NA detail
Skyworks Solution (SWKS)	67.2947	5,399.73	4.0%	09/21/2015	NA detail
Caesarstone Sdot-Yam Ltd (CSTE)	144.3699	4,668.92	3.5%	09/21/2015	NA detail
		134,670.28	100.0%		

AIRR on Investments (excludes cash) = 8.8%

*Calculated return on all investments (excluding cash accounts) during the time span, including those no longer owned on the end date

[Return to the report list](#)

Club Dashboards: SEMichigan

Edit

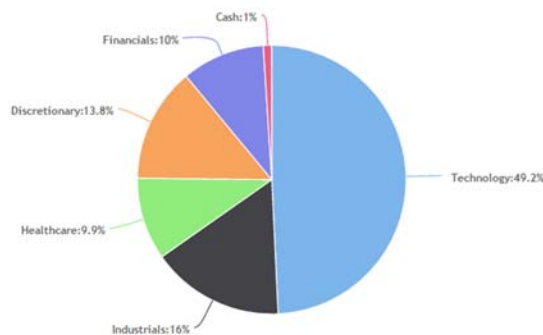
SouthEast Michigan NAIC Model Club Sponsored by Southeastern Chapter BetterInvesting

This dashboard is public and is available for other Manifest members to view at:

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

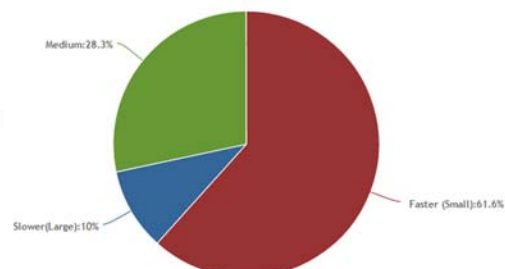
												10/16/2015
Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qty	PAR
CaesarStone*	CSTE	144.37	\$32.34	\$4,668.92	3.4%	18.5%	19.0	0.0%	53%	78	79	27.5%
Air Lease*	AL	320.34	\$33.28	\$10,660.97	7.8%	17.3%	13.0	0.4%	21%	86	69	19.0%
Cognizant Technology	CTSH	386.46	\$64.90	\$25,081.20	18.4%	17.7%	23.0	0.0%	99%	95	100	16.6%
Apple Inc.	AAPL	160.76	\$111.86	\$17,982.68	13.2%	9.7%	13.0	2.2%	96%	75	100	15.5%
Fastenal	FAST	170.69	\$38.11	\$6,504.90	4.8%	9.6%	24.0	2.6%	97%	94	94	14.6%
Price T. Rowe	TROW	194.57	\$70.20	\$13,658.59	10.0%	8.8%	17.0	2.8%	95%	90	98	14.2%
Skyworks Solutions	SWKS	67.29	\$80.24	\$5,399.73	4.0%	14.8%	22.0	0.8%	71%	43	95	14.2%
LKQ Corp	LKQ	667.08	\$28.07	\$18,724.87	13.8%	12.2%	21.0	0.0%	70%	93	95	13.9%
Priceline.com	PCLN	13.91	\$1,327.29	\$18,466.85	13.6%	13.8%	23.0	0.0%	97%	79	97	13.3%
Gilead Sciences	GILD	133.03	\$101.64	\$13,521.60	9.9%	5.8%	12.0	2.0%	70%	70	84	12.7%
Cash				\$1,393.61	1.0%			0.7%				0.7%
Averages				\$136,063.92		12.7%	18.8	1.0%	82%	83	93.4	15.2%

Sector Diversification



Size Diversification

based on Sales Growth Forecast



Portfolio Analysis: A Primer

Clubhouse, by Ken Kavula, Subscriber

🕒 Posted on September 30th, 2015

We'll pick up where we left on last month, turning now to analysis of a portfolio.

The Clubhouse is for sharing features and tips & tricks ... based on your feedback and favorite resources. It's also about tackling your questions and topics of interest.

We'll pick up where we left on last month, turning now to analysis of any portfolio whether it happens to be one of your individual accounts or one shared with colleagues in an investment club.

Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qty	PAR
Skyworks Solutions	SWKS	36.00	\$79.07	\$2,846.52	5.7%	14.7%	38.0	0.8%	71%	41	94	20.2%
Cognizant Technology	CTSH	32.00	\$62.85	\$2,011.20	4.1%	17.7%	24.0	0.0%	99%	95	100	17.8%
Polaris	PII	95.00	\$128.58	\$12,215.10	24.6%	15.1%	18.0	1.6%	90%	70	96	17.4%
Apple Inc.	AAPL	57.00	\$105.76	\$6,028.32	12.2%	9.8%	13.0	2.2%	96%	75	100	16.1%
Fastenal	FAST	63.00	\$39.18	\$2,468.34	5.0%	10.0%	25.0	2.3%	97%	93	94	15.5%
PRA Group*	PRAA	71.00	\$55.77	\$3,959.67	8.0%	12.2%	14.0	0.0%	55%	88	84	13.4%
Procter & Gamble	PG	110.00	\$71.84	\$7,902.40	15.9%	7.1%	18.0	3.4%	100%	99	100	11.6%
Johnson & Johnson	JNJ	98.00	\$95.56	\$9,364.88	18.9%	3.8%	16.0	3.0%	100%	97	91	6.9%
Cash				\$2,784.00	5.6%			0.7%				0.7%
Averages				\$49,580.43		10.4%	18.5	2.0%	91%	83	95.1	13.1%

My Dashboards: Example Dashboard #1.

Any dashboard can be sorted by clicking at the top of any column. I like to sort my dashboards by PAR (Potential Average Return) as shown in accompanying dashboard entitled Example Dashboard #1.

I can now see which stocks need attention as well as view what portfolio targets might need boosting.

I look first at SWKS. With a PAR of 20.2 it's 2% above the sweet spot. This is a very small company with a high quality rating. Its sales have grown consistently for many years. I wouldn't worry about SWKS PAR unless it moved more than 10 or so points above MIPAR. My second glance is at the bottom of the PAR list. I see that JNJ has a PAR under MIPAR. Because JNJ is a very large, consistently growing company with a very high quality, I would consider it a core holding in this portfolio and would not worry until the PAR approached 0 or turned negative.

I will next look at the % of total column. I notice PII represents almost one quarter of the portfolio. Even though it carries a high quality rating and a sweet spot PAR, I might consider selling some of the holdings. None of the holdings represent a super-small portion of the portfolio. If any existed, I would be thinking about selling the holding or adding to the holding. It takes just as much time to follow a small holding as to follow a large one and time is a precious commodity for investors.

Portfolio Averages	
PAR	13.1%
Quality	95.1
Growth	10.4%
P/E Ratio	18.5
Yield	2.0%

My next look is at the portfolio averages. Those are the numbers at the bottom of the columns. They're also collected and displayed in a box (referred to by some as the Report Card) on all dashboards:

Target values are personal preferences but here's what I use. I like to keep PAR within the sweet spot and total Quality above the 80th percentile. I know from my readings that to accomplish this I will need Growth in sales to be about 11.5-13%. I like to keep my Financial Strength and EPS Stability above the 80th percentile and I don't set targets for P/E Ratio or for Yield.

Fin Strength	91%
EPS Stability	83
<input type="checkbox"/> Hide charts <input type="button" value="Legend"/>	

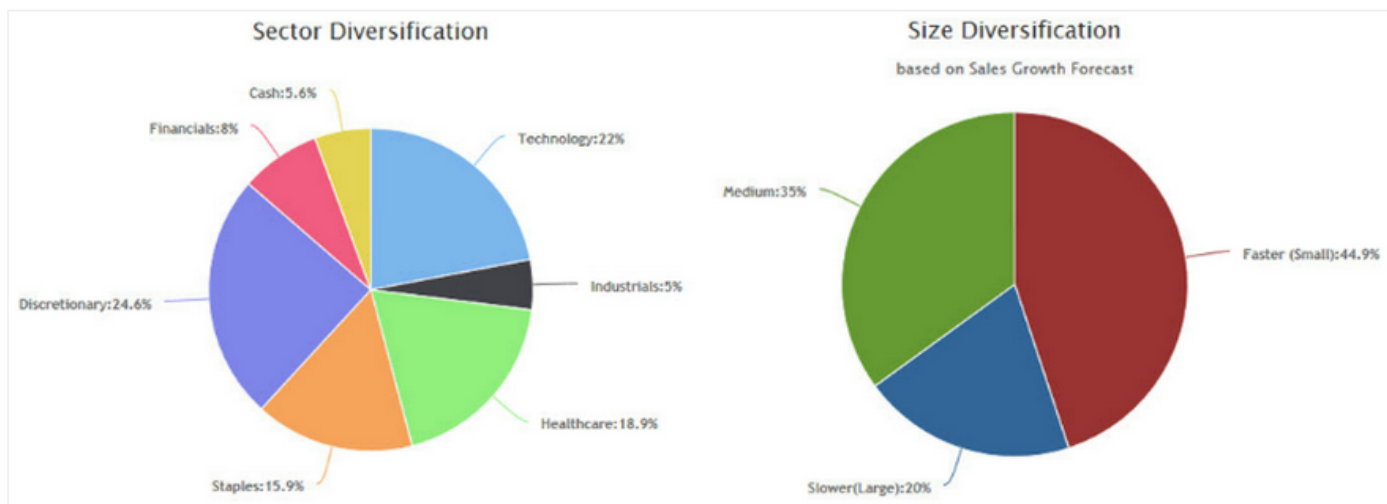
Looking at this portfolio, I see that the only places I should be concerned about are PAR because it's a little low and Growth, also a little low. As I add stocks to the portfolio, I will focus on those two metrics for the individual stock, hoping to gradually raise the values to hit or exceed my targets.

The last thing I need to examine on my dashboard is my diversification.

Portfolio Design

I want to hold stocks representing four or more sectors and I want a nice mix of small, medium and large stocks. At Manifest Investing, we measure "size" by growth. Mark will sometimes urge us to consider the company life cycle and industry influences also. Companies growing at less than 7% are called Large, those growing sales in excess of 12% are Small and those with sales growth between 7 and 12% are referred to as Medium. We find that portfolios that are roughly structured at 25% Small, 50% Medium and 25% Large perform better than portfolios which are mostly large or mostly small.

By scrolling down the page from your dashboard, you will see graphs representing sector diversification and size diversification. They might give you hints as to what you should be adding to your portfolio. In this example, the graphs look pretty good.



Our November Clubhouse feature will consider where to start on Manifest Investing when you are just beginning to build a portfolio.

For October, we're going to be reinforcing the role of faster-growing companies by spending some time with the Fortune Fastest Growers and Forbes Best Small Companies.

Let me know what else you'd like us to cover. Enjoy your Autumn.



Ken Kavula

Ken Kavula is a retired educator and successful long-term investor. Ken has served in a number of leadership positions for the National Association of Investors and is active in four investment clubs. Welcome to the Clubhouse. Subscribers are invited to share their favorite experiences, suggest best practices and most importantly, let us know "What's on your mind?" What topics and questions do you have? We all get better when we do this together. Email Ken at kkavula1@comcast.net.