



2 for 1[®]

Neil Macneale's
Stock Split
Newsletter

Volume 20 Issue 4

2-for-1.com

April 17, 2015

MARCH SPLITS – OUR BUY

Starbucks Corp.

There were only three splits in March. WSFS Financial (WSFS) was automatically eliminated for consideration because of its small size and thin trading volume, leaving two well known names; Starbucks (SBUX) and Ross Stores (ROST). 2 for 1 sold off a big winner in ROST less than a year ago but, for this month, Starbucks gets the pole position. To check that I had made the best choice, I also included several other promising recent splits in the list for this month's analysis. See the rankings below.

There is no need to describe what Starbucks does. There must be very few who have never had an occasion to buy something at one of the over 15,000 Starbucks stores. I was surprised to see SBUX at the top of the rankings because of its higher than average valuation metrics. However, it was scored quite well by some of the other criteria in the ranking algorithm, including those involving growth, profitability, and return. The reasonable dividend and lower than average volatility were also on the plus side. SBUX will be added to the portfolio and the 2 for 1 Index[®] next week.

Ross Stores performed exceptionally well for 2 for 1 from 12/11 through 6/14 but the numbers just didn't add up this time around. In my 2011 recommendation, I characterized ROST as a growth stock – that does not seem to be so much the case at this time.

South Jersey Industries (SJI) is still a strong second choice. See last month's issue for additional comments on SJI, GIL, and CNC.

Symbol	Company	Split Delivery	Rank
SBUX	Starbucks	04/08/15	1
SJI	South Jersey Ind.	05/07/15	2
ROST	Ross Stores	06/11/15	3
GIL	Gildan Activewear	03/27/15	3
V	Visa Inc	03/18/15	4
HBI	HanesBrands Inc	03/03/15	4
CNC	Centene Corp	02/19/15	4
WSFS	WSFS Financial Corp.	05/18/15	5

PORTFOLIO ITEMS

The Very Long Term

First, some housekeeping. As indicated in the March issue, partial sales of AOS and COLM were ordered last month to bolster our cash account. Because these are the best performers in the portfolio, the annualized gains on these sales were outstanding; 32% and 118% respectively. The adjusted basis and number of shares for both appear in the statement on the back page. The extra cash is just a cushion for now, but most will be needed to make up the shortfall to be incurred when we sell SCL and HEP in May and June.

Q1 of 2015 ended nicely despite a rocky start. 2 for 1 was up 4.1% for the quarter and 13.5% for the trailing twelve months. The Vanguard 500 Index Fund scored plus 3.8% and 12.6% for the same periods.

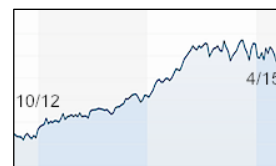
There is another number that is never publicized here or on the 2-for-1.com website, but I check it every once in a while just for fun. I began my research into the 2 for 1 strategy with a "paper" 2 for 1 portfolio starting with stock splits announced back at the beginning of 1990. This paper portfolio morphed into the real 2 for 1 account on 7/31/96. If, instead, I had started the real portfolio in 1/90, it would now have a gain of 1912% vs. a 535% gain for the S&P 500, as of 3/31/15. That's 14.1% vs. 8.5% annualized over the same period.

This is all academic but it does seem to indicate that long-term is good, and the longer the better.

THIS MONTH'S SELL

Magellan Midstream Partners

Magellan Midstream (MMP) did flatten out a year ago when oil prices started dropping, but it didn't drop like last month's sale stock (PAA). I can't



put my finger on why the difference but, for 2 for 1, MMP was all to the good. I took some of MMP's profits with a partial sale in October last year and the rest will go early next week. Overall gain – over 30% annualized. The Vanguard 500 Index Fund gained 18% annualized over the same period.

2 for 1 MODEL PORTFOLIO – MARCH STATEMENT

		# SH	BOUGHT	QUOTE AT BUY	QUOTE ON 03/31/15	BASIS	START MONTH \$3,791.70	END MONTH \$9,174.48	% OF PORT 2.49%
CASH									
MMP	MAGELLAN MIDSTREAM PARTNERS	140	10/16/12	44.406	76.710	6,216.77	11,508.00	10,739.40	2.92%
SCL	STEPAN CO	160	11/19/12	47.062	41.660	7,529.99	6,572.80	6,665.60	1.81%
HEP	HOLLY ENERGY PARTNERS	240	12/17/12	31.852	31.440	7,644.39	7,980.00	7,545.60	2.05%
PRA	PROASSURANCE	244	01/25/13	44.493	45.910	10,856.17	10,977.56	11,202.04	3.04%
CL	COLGATE-PALMOLIVE	160	03/18/13	55.822	69.340	8,931.59	11,331.20	11,094.40	3.02%
AOS	A. O. SMITH	200	11/15/10	19.147	65.660	3,829.39	16,387.80	13,132.00	3.57%
TU	TELUS	310	04/22/13	35.342	33.240	10,955.98	11,023.60	10,304.40	2.80%
HOMB	HOME BANCSHARES	440	05/20/13	21.173	33.890	9,315.99	13,926.00	14,911.60	4.05%
AWR	AMERICAN STATES WATER	340	06/17/13	27.054	39.890	9,198.49	13,644.20	13,562.60	3.69%
BEN	FRANKLIN RESOURCES	201	07/15/13	47.883	51.320	9,624.49	10,819.83	10,315.32	2.80%
WST	WEST PHARMACEUTICAL SERVICES	250	08/19/13	38.030	60.210	9,507.49	13,680.00	15,052.50	4.09%
TSCO	TRACTOR SUPPLY	150	09/16/13	65.317	85.060	9,797.49	13,218.00	12,759.00	3.47%
DVA	DAVITA HEALTHCARE PARTNERS	170	10/21/13	57.429	81.280	9,762.89	12,682.00	13,817.60	3.76%
CNI	CANADIAN NATIONAL RAILWAY	184	11/18/13	56.302	66.870	10,359.53	12,721.76	12,304.08	3.34%
RLI	RLI CORP.	220	12/16/13	46.470	52.410	10,223.49	10,645.80	11,530.20	3.13%
TD	TORONTO-DOMINION BANK	232	01/21/14	45.193	42.850	10,484.79	10,173.20	9,941.20	2.70%
ITC	ITC HOLDINGS	300	02/18/14	34.607	37.430	10,381.99	11,619.00	11,229.00	3.05%
MLI	MUELLER INDUSTRIES	350	03/17/14	30.554	36.130	10,693.74	12,183.50	12,645.50	3.44%
AWH	ALLIED WORLD ASSURANCE	300	04/21/14	34.667	40.400	10,399.99	12,135.00	12,120.00	3.29%
AAPL	APPLE CORP	119	05/19/14	86.355	124.430	10,276.29	15,286.74	14,807.17	4.02%
UNP	UNION PACIFIC	108	06/16/14	100.426	108.310	10,846.00	12,988.08	11,697.48	3.18%
OTEX	OPENTEXT INC	230	07/21/14	47.719	52.890	10,975.33	13,390.60	12,164.70	3.31%
COLM	COLUMBIA SPORTSWEAR	220	08/18/14	37.668	60.900	8,287.03	16,767.00	13,398.00	3.64%
APH	AMPHENOL	216	09/15/14	52.086	58.930	11,250.63	12,195.36	12,728.88	3.46%
CYT	CYTEC INDUSTRIES	240	10/20/14	44.240	54.040	10,617.65	12,607.20	12,969.60	3.53%
CALM	CAL-MAINE FOODS	280	11/17/14	41.936	39.060	11,741.96	10,536.40	10,936.80	2.97%
HAIN	HAIN CELESTIAL GROUP	200	12/15/14	55.204	64.050	11,040.87	12,506.00	12,810.00	3.48%
GNTX	GENTEX CORP	660	01/20/15	17.395	18.300	11,480.79	11,629.20	12,078.00	3.28%
NJR	NEW JERSEY RESOURCES	380	02/17/15	31.920	31.060	12,129.73	11,890.20	11,802.80	3.21%
MGA	MAGNA INTERNATIONAL INC	232	03/16/15	52.018	53.660	12,068.19	12,068.19	12,449.12	3.38%
TOTAL CASH AND EQUITIES						\$296,429.11		\$367,889.07	100.00%

ACCOUNT VALUE SUMMARY - 3/31/15

Description	Amount
Last Month's Closing Equity	\$365,797.93
Change in Stock Value	\$1,606.87
Interest & Dividends	\$484.27
This Month's Closing Equity	\$367,889.07

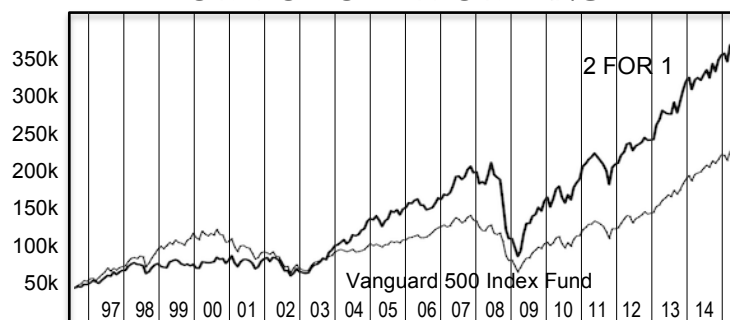
ANNUALIZED RETURN 7/31/96 – 3/31/15

2 for 1: + **11.29%** Vanguard 500 Fund: +8.35%
(all costs and dividends included for both)

THE FINE PRINT

The above list represents all of the securities recommended, bought, and which are now present in the 2 for 1 portfolio. The 30 stocks on this list constitute the entire 2 for 1 portfolio. The graph of the performance of the 2 for 1 portfolio to the right was adjusted to equal the Vanguard 500 Index Fund at the end of July, 1996, adjusted for and including dividends. The Vanguard 500 Index Fund tracks the S&P 500, an index tracking the 500 largest U.S. companies. 2 for 1 tracks the 2 for 1 Index®, based on an actual portfolio of 30 companies, large and small. 2 for 1 may be more or less volatile than the S&P 500. The 2 for 1 portfolio was started in July, 1996 with \$50,000. The \$296,429 basis above reflects \$246,429 in capital gains, dividends, and interest accrued since the portfolio's inception. It shall not be assumed that recommendations made in this issue of 2 for 1, or in any future issues, will be profitable or will equal the performance of the securities on this list.

PORTFOLIO PERFORMANCE



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