



2 for 1[®]

Neil Macneale's
Stock Split
Newsletter

Volume 19 Issue 7

2-for-1.com

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JUNE SPLITS – OUR BUY

OpenText Corp

Picking a company to add to the portfolio this month proved to be as challenging as any month in recent memory. There were only two 2 for 1 or greater split announcements in June and one of them (SFBS) has only been a public company for a few months. To help evaluate the other split, Alaska Air, I went back six months and plugged in all the numbers for the #2 and #3 ranked stocks over that time period. OpenText Corp. (OTEX), our #2 ranked stock in February, came to the top of the pile and will be purchased for the 2 for 1 portfolio next week.

OpenText is a software company, now somewhat cheaper than six months ago when its split was announced. OTEX is the largest Canadian software business, developing and selling information management programs around the world. It collaborates with some software companies, such as SAP and Amazon cloud services, and competes with others such as Oracle, IBM, and Microsoft. Cash flow, dividend, and volatility metrics are favorable. It's hard to call any software company "old" but OTEX has been around as long as most and is a solid business.

Alliance Resource Partners (ARLP) was our #2 ranked stock in May and scored very well again when evaluated this month. ARLP is a coal mining company, an industry I understand a lot better than software. Its numbers are excellent and odds are this stock will perform very well over the next few years. However, I was pleased to have other options, both in May and this month, for other than purely objective reasons. The 2 for 1 portfolio already owns four energy related businesses and two coal and oil hauling railroads. It is my hope that, over time, I can steer the portfolio away from these fossil fuel related businesses. It would be terrific if some of the growing solar and wind energy companies would announce a stock split. In the end, we are owners of the businesses in our portfolios and I want to own companies that promote the common good.

PORTFOLIO ITEMS

Out of Whack

When there's not much to report regarding the 2 for 1 portfolio, I feel a little more relaxed about looking at the broader economy for topics that might be of interest. An article in the August issue of Harper's magazine provides just such a topic. "The End of Retirement", by Jessica Bruder offers a look into the lives of a new class of migrant worker, specifically those elderly, formerly middle-class, ordinary folks who now find themselves camping in their RV's and roaming the country taking all manner of temporary work just to keep body and soul together.

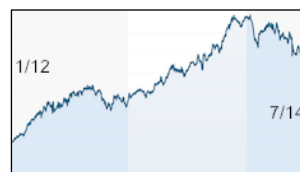
It's my impression that, like me, many subscribers to this newsletter are retired or nearing retirement; in other words, between 60 and 70 years old. The subjects of Bruder's article are also just like us, with one glaring difference – they have lost, or never had, money set aside for retirement. The picture painted here is pretty bleak. The article makes no attempt to place blame but it is hard to deny that, in an economy as rich as ours, something is very out of whack here.

As has been clear for many years, we are moving away from a system where some combination of government and employer pensions has been enough to provide for most of our older citizens. For those of us fortunate enough to have avoided the issues facing the elderly workers of Bruder's article, please stress to your kids and grandkids, it's NEVER TOO EARLY to start their IRA account, and help them do it if you can.

THIS MONTH'S SELL

TJX Inc

We missed the high for TJX around the first of this year but this stock has still been a winner for 2 for 1. TJX will actually be sold on Monday but, based



on current pricing, the TJX position has netted 2 for 1 around a 71% gain or 23.8% annualized with all costs and dividends included. The Vanguard 500 Index Fund's annualized return was 20.6% over the same period.

2 for 1 MODEL PORTFOLIO – JUNE STATEMENT

		# SH	BOUGHT	QUOTE AT BUY	QUOTE ON 6/30/14	BASIS	START MONTH 6320.20	END MONTH 6158.29	% OF PORT 1.93%
CASH									
TJX	TJX INC	220	01/17/12	32.620	53.150	7186.39	11979.00	11693.00	3.51%
MNST	MONSTER BEVERAGES	105	02/21/12	53.200	71.030	5593.49	7284.90	7458.15	2.24%
DGAS	DELTA NATURAL GAS	400	03/21/12	18.955	21.960	7581.93	7884.00	8784.00	2.64%
CPRT	COPART INC	300	04/16/12	25.780	35.960	7733.98	10671.00	10788.00	3.24%
KO	COCA-COLA	200	05/21/12	37.174	42.360	7434.84	8182.00	8472.00	2.54%
CME	CME GROUP	140	06/21/12	54.923	70.950	7689.27	10080.00	9933.00	2.98%
AZZ	AZZ INC	250	07/16/12	32.320	46.080	8079.99	11127.50	11520.00	3.46%
TROX	TRONOX LTD.	445	08/20/12	25.073	26.900	11157.38	11823.65	11970.50	3.59%
PAA	PLAINS ALL AMERICAN PIPELINES	180	09/17/12	44.881	60.050	8078.49	10164.60	10809.00	3.24%
MMP	MAGELLAN MIDSTREAM PARTNERS	180	10/16/12	44.406	84.040	7992.99	14738.40	15127.20	4.54%
SCL	STEPAN CO	160	11/19/12	47.062	52.860	7529.99	8563.20	8457.60	2.54%
HEP	HOLLY ENERGY PARTNERS	240	12/17/12	31.852	34.390	7644.39	8481.60	8253.60	2.48%
PRA	PROASSURANCE	244	01/25/13	44.493	44.400	10856.17	11089.80	10833.60	3.25%
CL	COLGATE-PALMOLIVE	160	03/18/13	55.822	68.180	8931.59	10944.00	10908.80	3.27%
AOS	A. O. SMITH	260	11/15/10	19.147	49.580	4978.20	12838.80	12890.80	3.87%
TU	TELUS	310	04/22/13	35.342	37.240	10955.98	11708.70	11544.40	3.46%
HOMB	HOME BANCSHARES	440	05/20/13	21.173	32.820	9315.99	13424.40	14440.80	4.33%
AWR	AMERICAN STATES WATER	340	06/17/13	27.054	33.230	9198.49	10295.20	11298.20	3.39%
BEN	FRANKLIN RESOURCES	201	07/15/13	47.883	57.840	9624.49	11097.21	11625.84	3.49%
WST	WEST PHARMACEUTICAL SERVICES	250	08/19/13	38.030	42.180	9507.49	10522.50	10545.00	3.16%
TSCO	TRACTOR SUPPLY	150	09/16/13	65.317	60.400	9797.49	9753.00	9060.00	2.72%
DVA	DAVITA HEALTHCARE PARTNERS	170	10/21/13	57.429	72.320	9762.89	12000.30	12294.40	3.69%
CNI	CANADIAN NATIONAL RAILWAY	184	11/18/13	56.302	65.020	10359.53	11146.72	11963.68	3.59%
RLI	RLI CORP.	220	12/16/13	46.470	45.780	10223.49	9812.00	10071.60	3.02%
TD	TORONTO-DOMINION BANK	232	01/21/14	45.193	51.410	10484.79	11504.88	11927.12	3.58%
ITC	ITC HOLDINGS	300	02/18/14	34.607	36.480	10381.99	10980.00	10944.00	3.28%
MLI	MUELLER INDUSTRIES	350	03/17/14	30.554	29.410	10693.74	10087.00	10293.50	3.09%
AWH	ALLIED WORLD ASSURANCE	300	04/21/14	34.667	38.020	10399.99	11250.00	11406.00	3.42%
AAPL	APPLE CORP	119	05/19/14	86.355	92.930	10276.29	10761.00	11058.67	3.32%
UPN	UNION PACIFIC	108	06/16/14	100.426	99.750	10846.00	10846.00	10773.00	3.23%
TOTAL CASH AND EQUITIES						270297.74		333303.75	100.00%

ACCOUNT VALUE SUMMARY - 6/30/14

Description	Amount
Last Month's Closing Equity	326783.06
Change in Stock Value	5894.39
Interest & Dividends	626.30
This Month's Closing Equity	333303.75

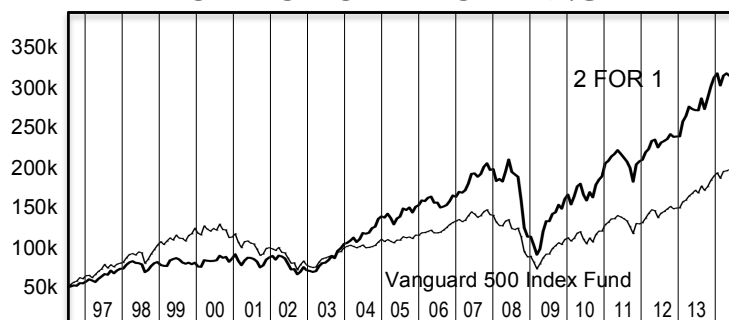
ANNUALIZED RETURN 7/31/96 – 6/30/14

2 for 1: +11.17% Vanguard 500 Fund: +8.31%
(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 \$270,298 basis above reflects \$220,298 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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