



2 for 1[®]

Neil Macneale's
Stock Split
Newsletter

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2-for-1.com

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FEBRUARY SPLITS – OUR BUY

Colgate-Palmolive Co

February provided only two 2 for 1 split announcements for our consideration; Franklin Electric (FELE) and Trimble Navigation (TRMB). I ran the numbers for these companies through the 2 for 1 ranking analysis program and neither scored as well as Colgate-Palmolive (CL), a split announced just last week. Even though it's a March split, I'm going to recommend CL and buy it for the 2 for 1 portfolio early next week.

Colgate-Palmolive has been a household name in the U.S. for over 200 years. You probably already know Colgate makes toothpaste, but it also makes liquid hand soaps, shower gels, bar soaps, deodorants, antiperspirants, shampoos, and conditioners. In addition, CL has a pet nutrition division operating under the Hills Science Diet brand name. CL is not a bargain-basement stock, with a trailing PE of 22.5 and a price-to-book ratio of 24.7. However, it's hard to go wrong with such a well established, well run business generating a net profit margin of over 15%, year after year, while growing earnings at a rate north of 10% a year for the last five years. The 2.53% dividend yield and 0.44 Beta are also good reasons to like this stock.

I thought Franklin Electric might be my next buy until CL came into view. FELE is a small-cap manufacturer of water and fuel pumps and related controls. This is the type of business I am drawn to. It has solid profits, a reasonable PE, a modest dividend, etc., etc., but most of its numbers are just not as good as Colgate's.

Trimble Navigation, the second February split, is a GPS business headquartered in Sunnyvale, CA. This appears to be a company well positioned in the fast changing and fast growing area of global positioning satellite utilization. It does have a high (41) PE, pays no dividend, and is almost 50% more volatile than the overall market. An interesting business, but just not the type of stock for the 2 for 1 portfolio.

PORTFOLIO ITEMS

All Time Highs

The 2 for 1 portfolio ended February at an all time high and the tally has gone still higher as we go to press. Market indexes are also hitting new highs on an almost daily basis. The pendulum has clearly swung in our favor since the crash of 2008. The strength of the stock market is being cited as one indicator of the economy's return to health, along with the improving real estate market, and the slow but steady decline in the unemployment rate. I have a somewhat different take on the situation.

The stock market is booming because companies in the U.S. are making money hand over fist. Increases in productivity due to cost cutting during the lean years are now paying off big time. The reason for the slower than expected growth in employment is NOT because of "uncertainty" and unwillingness to hire; it is because companies are doing better than ever with fewer and fewer employees. This structural change in the way our corporations operate, is being overlooked when economists and politicians talk of a return to "normal" for the economy. Some segments of the society doing very well while others are chronically struggling will now be closer to the norm, in my opinion.

We'll have to hope the social scientists and the politicians can figure out a fix for the bigger issues. For the individual investor, the path to a healthy personal economy is clear. Save early and save regularly would be the first rule. Investing in the stock market is the second. No other investment strategy has performed better over the long haul. 2 for 1 is here to help.

THIS MONTH'S SELL

No Sale in March

Because there was no stock buy last month but Danaher was sold on schedule at the beginning of February, the 2 for 1 cash account contains more than enough to provide for our purchase of Colgate-Palmolive. We will get back to our regular routine early in April when it will be time to sell Tractor Supply, the most successful stock currently in the 2 for 1 portfolio.

2 for 1 MODEL PORTFOLIO – FEBRUARY STATEMENT

		# SH	BOUGHT	QUOTE AT BUY	QUOTE ON 2/28/13	BASIS	START MONTH 1238.52	END MONTH 10978.21	% OF PORT 4.09%
CASH									
TSCO	TRACTOR SUPPLY CO	120	08/16/10	34.150	103.990	4105.49	12440.40	12478.80	4.65%
RMD	RESMED, INC	175	09/20/10	33.070	44.490	5797.24	7665.00	7785.75	2.90%
ASA	ASA LIMITED	230	10/18/10	31.645	18.840	7278.38	4839.20	4333.20	1.61%
AOS	A. O. SMITH	165	11/15/10	38.294	71.530	6318.49	11431.20	11802.45	4.39%
HRL	HORMEL FOODS	264	12/20/10	25.934	37.410	6846.59	9137.04	9876.24	3.68%
PATR	PATRIOT TRANSPORTATION	305	01/19/11	31.280	27.180	9007.45	7859.85	8289.90	3.09%
WEC	WISCONSIN ENERGY	250	02/22/11	29.185	41.300	7306.24	9857.50	10325.00	3.84%
EEP	ENBRIDGE ENERGY PARTNERS	224	03/28/11	32.219	27.710	7217.10	6715.52	6207.04	2.31%
USTR	UNITED STATIONERS	200	04/18/11	35.350	36.200	7079.99	6668.00	7240.00	2.70%
CWT	CALIFORNIA WATER SERVICE GRP	400	05/16/11	18.350	20.060	7349.99	7800.00	8024.00	2.99%
CHD	CHURCH & DWIGHT	175	06/20/11	39.900	61.960	6992.49	10113.25	10843.00	4.04%
OKS	ONEOK PARTNERS LP	165	07/18/11	43.850	54.810	7245.24	9834.00	9043.65	3.37%
OZRK	BANK OF THE OZARKS	280	08/16/11	22.786	38.390	6379.99	10169.60	10749.20	4.00%
CLW	CLEARWATER PAPER	175	09/19/11	37.000	48.390	6484.99	7929.25	8468.25	3.15%
BLL	BALL CORP.	200	11/21/11	33.400	44.410	6689.99	8904.00	8882.00	3.31%
ROST	ROSS STORES	150	12/19/11	46.520	58.000	6987.99	8955.00	8700.00	3.24%
TJX	TJX INC	220	01/17/12	32.620	44.970	7186.39	9939.60	9893.40	3.68%
MNST	MONSTER BEVERAGES	105	02/21/12	53.200	50.460	5593.49	5029.50	5298.30	1.97%
DGAS	DELTA NATURAL GAS	400	03/21/12	18.955	19.540	7581.93	7880.00	7816.00	2.91%
CPRT	COPART INC	300	04/16/12	25.780	34.140	7733.98	10773.00	10242.00	3.81%
KO	COCA-COLA	200	05/21/12	37.174	38.720	7434.84	7448.00	7744.00	2.88%
CME	CME GROUP	140	06/21/12	54.923	59.670	7689.27	8097.60	8353.80	3.11%
AZZ	AZZ INC	250	07/16/12	32.320	44.660	8079.99	10697.50	11165.00	4.16%
TROX	TRONOX LTD.	310	08/20/12	25.612	20.540	7939.79	5874.50	6367.40	2.37%
PAA	PLAINS ALL AMERICAN PIPELINES	180	09/17/12	44.881	54.750	8078.49	9486.00	9855.00	3.67%
MMP	MAGELLAN MIDSTREAM PARTNERS	180	10/16/12	44.406	50.160	7992.99	9109.80	9028.80	3.36%
SCL	STEPAN CO	160	11/19/12	47.062	61.240	7529.99	9385.60	9798.40	3.65%
HEP	HOLLY ENERGY PARTNERS	240	12/17/12	31.852	41.260	7644.39	8628.00	9902.40	3.69%
PRA	PROASSURANCE	194	01/25/13	44.601	46.890	8652.68	8737.76	9096.66	3.39%
	(no stock purchase in February)								
	TOTAL CASH AND EQUITIES					208225.88		268587.85	100.00%

ACCOUNT VALUE SUMMARY - 2/28/13

Description	Amount
Last Month's Closing Equity	261633.69
Change in Stock Value	6234.27
Interest & Dividends	719.89
This Month's Closing Equity	268587.85

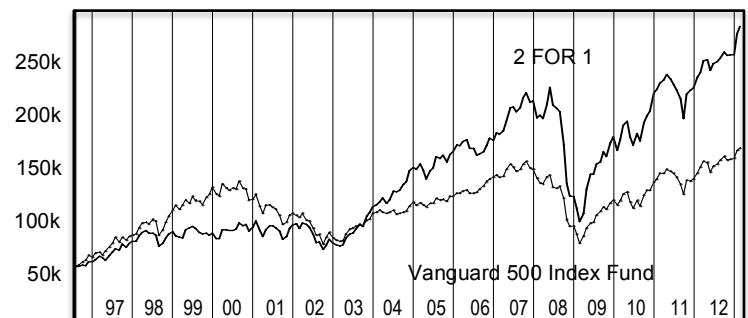
ANNUALIZED RETURN 7/31/96 – 2/28/13

2 for 1: +10.67% Vanguard 500 Fund: +7.18%
(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 29 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 an actual portfolio of only 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 \$208,226 basis above reflects the \$158,226 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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