



2 for 1[®]

Neil Macneale's
Stock Split
Newsletter

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2-for-1.com

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APRIL SPLITS – OUR BUY

Apple

Maybe Apple's (AAPL) 7 to 1 split announcement will break the logjam of companies seemingly reluctant to split their high-priced stocks. For whatever reason, Apple did finally announce a split and, despite strong competition from other good candidates, did rise to the top of the list to become our pick for this month's addition to the 2 for 1 portfolio.

Apple makes fabulous stuff. I'm writing this column on my Apple laptop. There are five other various Apple products scattered around my house, and that's not counting the several obsolete Apple Macintosh computers stored in my attic. Apple has the largest market cap of any company in the world yet it remains nimble and it's still incredibly profitable.

In addition to its great story, AAPL's numbers are also impressive. A very reasonable 14.2 PE, lower than market average volatility, a 2.2% dividend – what's not to like? Naysayers declare that Apple's fire went out when Steve Jobs died. While the creative spark may not be quite as bright, this company will still be making lots of money for years to come. I'll be very pleased to have Apple in the 2 for 1 portfolio.

Alliance Resource Partners (ARLP) is a coal mining company headquartered in Oklahoma and operating in Illinois and Appalachia. Most of the numbers are as good as Apple's except debt is a lot higher and there are few companies, ARLP included, as profitable as Apple. Domtar Corp (UFS), a Canadian paper company, was also scored highly by our ranking formula. For both ARLP and UFS, strong candidates in many respects, the competition from Apple was just too much to overcome.

Symbol	Company	Split Date	Rank
AAPL	Apple, Inc	06/02/14	1
ARLP	Alliance Resource Partners	06/16/14	2
UFS	Domtar Corporation	06/17/14	3
FFIN	First Financial Bankshares	06/02/14	3
ACIW	ACI Worldwide, Inc.	07/10/14	4

PORTFOLIO ITEMS

It's Just Around the Bend

Performance for the market and the 2 for 1 portfolio has been pretty lackluster so far for 2014. The market is up just a bit and our portfolio is just about flat. After a 33.2% return in 2013, it's not surprising to see a little pause in our upward trajectory. However, falling behind the market with over a third of the year already posted to the books is a little nervous making. So, is there anything to be done about it?

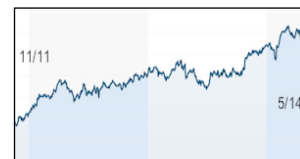
There was once a scoutmaster who was well loved but teased for his very predictable answer to the question, "How much farther do we have to go to get to the campsite/ lunch break/ mountain top/ etc? The answer was invariably, "It's just around the bend". This was his way of saying, "What difference does it make? We'll get there eventually – just keep putting one foot in front of the other." This also makes a good answer for the subscribers who have been asking, "When is this flat market/ side-ways market/ un-certainty going to be over?" I answer, "No one knows, but no trend lasts forever?" I'm just going to keep doing what has worked for 2 for 1 for the last 17 years and assume a better market is "just around the bend."

With the recent rebalance, the 2 for 1 portfolio should pretty much be on auto-pilot for at least the next four months. We stand at +16.8% for the trailing twelve months as we go to press. By that standard, we are still a little ahead of the market. Let's hope it holds.

THIS MONTH'S SELL

Ball Corporation

Ball Corp. (BLL) has been a solid performer for the 2 for 1 portfolio over the last 2½ years. Ball makes a huge percentage of all the aluminum cans produced worldwide, and the demand for these products continues to grow. Our approximate annualized overall return for BLL, as we go to press and with all costs and dividends included, was over 26%/year. The Vanguard 500 Index Fund's annualized return was 23%+ over the same period.



2 for 1 MODEL PORTFOLIO – APRIL STATEMENT

		# SH	BOUGHT	QUOTE AT BUY	QUOTE ON 4/30/14	BASIS	START MONTH 3599.98	END MONTH 4178.66	% OF PORT 1.31%
CASH									
BLL	BALL CORP.	200	11/21/11	33.400	56.190	6689.99	10962.00	11238.00	3.51%
ROST	ROSS STORES	150	12/19/11	46.520	68.080	6987.99	10732.50	10212.00	3.19%
TJX	TJX INC	220	01/17/12	32.620	58.180	7186.39	13343.00	12799.60	4.00%
MNST	MONSTER BEVERAGES	105	02/21/12	53.200	66.960	5593.49	7292.25	7030.80	2.20%
DGAS	DELTA NATURAL GAS	400	03/21/12	18.955	19.070	7581.93	8288.00	7628.00	2.38%
CPRT	COPART INC	300	04/16/12	25.780	36.270	7733.98	10917.00	10881.00	3.40%
KO	COCA-COLA	200	05/21/12	37.174	40.790	7434.84	7732.00	8158.00	2.55%
CME	CME GROUP	140	06/21/12	54.923	70.390	7689.27	10361.40	9854.60	3.08%
AZZ	AZZ INC	250	07/16/12	32.320	43.420	8079.99	11170.00	10855.00	3.39%
TROX	TRONOX LTD.	445	08/20/12	25.073	24.500	11157.38	10577.65	10902.50	3.41%
PAA	PLAINS ALL AMERICAN PIPELINES	180	09/17/12	44.881	55.800	8078.49	9921.60	10044.00	3.14%
MMP	MAGELLAN MIDSTREAM PARTNERS	180	10/16/12	44.406	74.210	7992.99	12553.20	13357.80	4.17%
SCL	STEPAN CO	160	11/19/12	47.062	57.830	7529.99	10329.60	9252.80	2.89%
HEP	HOLLY ENERGY PARTNERS	240	12/17/12	31.852	32.310	7644.39	7960.80	7754.40	2.42%
PRA	PROASSURANCE	244	01/25/13	44.493	45.420	10856.17	10865.32	11082.48	3.46%
CL	COLGATE-PALMOLIVE	160	03/18/13	55.822	67.300	8931.59	10379.20	10768.00	3.37%
AOS	A. O. SMITH	260	11/15/10	19.147	46.760	4978.20	11965.20	12157.60	3.80%
TU	TELUS	310	04/22/13	35.342	35.270	10955.98	11144.50	10933.70	3.42%
HOMB	HOME BANCSHARES	440	05/20/13	21.173	31.710	9315.99	15144.80	13952.40	4.36%
AWR	AMERICAN STATES WATER	340	06/17/13	27.054	30.360	9198.49	10978.60	10322.40	3.23%
BEN	FRANKLIN RESOURCES	201	07/15/13	47.883	52.350	9624.49	10890.18	10522.35	3.29%
WST	WEST PHARMACEUTICAL SERVICES	250	08/19/13	38.030	43.380	9507.49	11012.50	10845.00	3.39%
TSCO	TRACTOR SUPPLY	150	09/16/13	65.317	67.240	9797.49	10594.50	10086.00	3.15%
DVA	DAVITA HEALTHCARE PARTNERS	170	10/21/13	57.429	69.300	9762.89	11704.50	11781.00	3.68%
CNI	CANADIAN NATIONAL RAILWAY	184	11/18/13	56.302	58.570	10359.53	10344.48	10776.88	3.37%
RLI	RLI CORP.	220	12/16/13	46.470	43.060	10223.49	9732.80	9473.20	2.96%
TD	TORONTO-DOMINION BANK	232	01/21/14	45.193	48.090	10484.79	10892.40	11156.88	3.49%
ITC	ITC HOLDINGS	300	02/18/14	34.607	36.970	10381.99	11205.00	11091.00	3.47%
MLI	MUELLER INDUSTRIES	350	03/17/14	30.554	28.940	10693.74	10496.50	10129.00	3.17%
AWH	ALLIED WORLD ASSURANCE	100	04/21/14	104.000	107.690	10399.99	10399.99	10769.00	3.37%
TOTAL CASH AND EQUITIES						262853.43		319994.05	100.00%

ACCOUNT VALUE SUMMARY - 4/30/14

Description	Amount
Last Month's Closing Equity	320243.52
Change in Stock Value	-592.12
Interest & Dividends	342.65
This Month's Closing Equity	319994.05

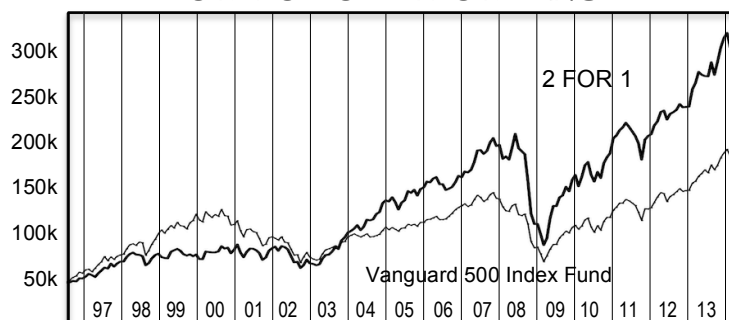
ANNUALIZED RETURN 7/31/96 – 4/30/14

2 for 1: + **11.03%** Vanguard 500 Fund: +8.15%
(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 \$262,853 basis above reflects \$212,853 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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