



2 for 1[®]

Neil Macneale's
Stock Split
Newsletter

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2-for-1.com

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RECENT SPLITS – OUR BUY

Silgan Holdings, Inc.

It's déjà vu all over again. Of the three split announcements since the last issue of 2 for 1, two are companies we have owned in the past and, coincidentally, are both in the beverage and food container business. It's nice to have these new splits to look at. Let's hope this is the start of a pick-up in the number of announcements.

In spite of many similarities, Silgan Holdings Inc. (SLGN) scored significantly higher than Ball Corp (BLL) and will be our pick for this month. Silgan was in the 2 for 1 portfolio most of 2010/2012 and earned a 13.9% overall annualized return. SLGN is a world-wide manufacturer of a wide variety of containers for food and beverages as well as other consumer products. SLGN has done well in a competitive, relatively low-margin business and, compared to Ball and other peers, seems to run a leaner operation while paying a better dividend. SLGN's volatility measure (Beta) is about half that of the overall market and has been for years. The company will almost certainly not be a rocket or home run, but SLGN is a well run, very stable business making products that will be in demand in both up and down market cycles. Consider it a very safe bet.

Our ranking formula scored DST Systems Inc. (DST) right in the middle between the two container businesses. DST provides specialized IT services to financial and healthcare sector businesses. When you buy or sell a stock or pay a hospital bill, chances are DST will be involved at some point in the transaction. DST announced its split just a few days ago and I've had time to do only the most basic analysis of the company. Look for more in next month's 2 for 1.

Ball Corp. (BLL), world champion in the manufacture of aluminum cans, was owned by 2 for 1 from 11/11 through 5/14 and gave us a 27% overall annualized return. BLL performed better than SLGN in the past. I don't see that in the numbers this time around, but we'll keep our eye on it for the next few months.

PORTFOLIO ITEMS

Hold Tight

In 2 for 1's twenty year run there have been several times when it seemed our strategy was failing us. Early on for example, for an extended period in 1998 and 1999, 2 for 1 fell behind the market for months at a stretch and, by the end of 1999, was over 20% behind the S&P 500 for the year. This was the dot-com bubble and our "under the radar", value investing style was definitely not in sync with the market. Similarly, this style seems to be out of sync with the market now and we are suffering, but for somewhat different reasons.

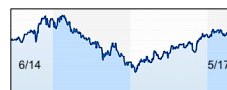
Compare year-to-date numbers for the Russell 3000, a total market index, up 6.6%, with the Russell 2000, a small cap index, up 2.7%. This is telling us there is a tilt toward the large cap end of the spectrum, particularly the bluest of the blue chips. My guess is this is a search for stability in a very unstable political and economic environment resulting in the overvaluation of the "popular" stocks and inflation of the major indexes. I believe reversion to the mean will eventually bring rational pricing back to the majority of the market and the stock split advantage will propel our portfolio ahead of the crowd as it has in the past.

On the bright side, for every 2 for 1 stock getting hammered, there are others that are doing extremely well. Our average overall gain for all 30 positions is a bit over 8%, and the average annualized gain is right at 10%. 2 for 1 will weather this storm – we just have to hold on tight for a while.

THIS MONTH'S SELL

Union Pacific

We are finally selling Union Pacific (UNP) off the top of the portfolio ladder, several months after the usual 30 month holding period. The original purchase was in 6/14 and the position was increased by about 20% in 2/16. The added shares have increased by about 40% but our overall return for the entire position, dividends included, will only be about 20% when we sell next week. Return for Vanguard's 500 Index Fund has been 23.6% over the same period.



2 for 1 MODEL PORTFOLIO – APRIL STATEMENT

		# SH	BOUGHT	COST PER SHARE	QUOTE ON 4/30/17	BASIS	START MONTH	END MONTH	% OF PORT
CASH							\$5,761.21	\$7,933.85	1.88%
UNP	UNION PACIFIC	130	06/16/14	96.856	111.960	12,591.30	13,769.60	14,554.80	3.44%
COLM	COLUMBIA SPORTSWEAR	220	08/18/14	37.668	56.620	8,287.03	12,925.00	12,456.40	2.95%
APH	AMPHENOL	216	09/15/14	52.086	72.310	11,250.63	15,372.72	15,618.96	3.70%
CALM	CAL-MAINE FOODS	280	11/17/14	41.936	37.750	11,741.96	10,304.00	10,570.00	2.50%
HAIN	HAIN CELESTIAL GROUP	300	12/15/14	36.803	36.990	11,040.87	11,160.00	11,097.00	2.63%
GNTX	GENTEX CORP	660	01/20/15	17.395	20.650	11,480.79	14,077.80	13,629.00	3.23%
NJR	NEW JERSEY RESOURCES	380	02/17/15	31.920	40.350	12,129.73	15,048.00	15,333.00	3.63%
MGA	MAGNA INTERNATIONAL INC	300	03/16/15	49.120	41.770	14,736.13	12,948.00	12,531.00	2.97%
SBUX	STARBUCKS CORP.	260	04/20/15	47.963	60.060	12,470.36	15,181.40	15,615.60	3.70%
PPG	PPG INDUSTRIES	133	05/18/15	110.692	109.840	14,722.05	13,975.64	14,608.72	3.46%
CF	CF INDUSTRIES HOLDINGS	400	07/20/15	48.350	26.740	19,339.80	11,740.00	10,696.00	2.53%
EXPO	EXPONENT INC.	285	08/17/15	43.895	61.150	12,510.09	16,971.75	17,427.75	4.12%
FBIZ	FIRST BUSINESS FINANCIAL SERV	563	09/21/15	22.959	26.570	12,925.98	14,615.48	14,958.91	3.54%
AZN	ASTRAZENECA	435	11/16/15	31.581	30.250	13,737.77	13,545.90	13,158.75	3.11%
AFSI	AMTRUST FINANCIAL SERVICES	455	12/21/15	30.181	16.050	13,732.27	8,399.30	7,302.75	1.73%
HRL	HORMEL FOODS	336	01/19/16	38.371	35.080	12,892.58	11,635.68	11,786.88	2.79%
NKE	NIKE, INC.	224	02/16/16	57.296	55.410	12,834.38	12,483.52	12,411.84	2.94%
ENSG	ENSIGN GROUP	670	04/18/16	22.227	17.950	14,891.80	12,596.00	12,026.50	2.85%
HOMB	HOME BANCSHARES	600	05/16/16	20.351	25.450	12,210.63	16,242.00	15,270.00	3.61%
LNT	ALLIANT ENERGY	320	06/20/16	39.040	39.320	12,492.74	12,675.20	12,582.40	2.98%
LKFN	LAKELAND FINANCIAL	390	07/18/16	33.277	45.660	12,978.19	16,816.80	17,807.40	4.21%
ICE	INTERCONTINENTAL EXCHANGE	230	08/15/16	55.893	60.200	12,855.38	13,770.10	13,846.00	3.28%
BMI	BADGER METER INC	380	09/19/16	33.166	39.750	12,603.19	13,965.00	15,105.00	3.57%
TTC	TORO CORP	265	10/17/16	47.294	64.920	12,532.89	16,551.90	17,203.80	4.07%
CHD	CHURCH & DWIGHT	292	11/21/16	44.939	49.530	13,122.07	14,562.04	14,462.76	3.42%
NAVJ	NAVAGATORS GROUP INC	230	12/19/16	58.048	54.050	13,351.14	12,489.00	12,431.50	2.94%
OTEX	OPENTEXT INC	460	07/21/14	23.859	34.680	10,975.33	15,644.60	15,952.80	3.78%
AOS	A.O. SMITH CORP	285	01/17/17	48.233	53.880	13,746.36	14,580.60	15,355.80	3.63%
CMCSA	COMCAST	380	02/24/17	37.551	39.190	14,269.49	14,284.20	14,892.20	3.52%
CPRT	COPART INC	450	04/17/17	29.721	30.900	13,374.45	13,374.45	13,905.00	3.29%
TOTAL CASH AND EQUITIES						\$387,827.38	\$422,532.37		100.00%

ACCOUNT VALUE SUMMARY - 4/30/17

Description	Amount
Last Month's Closing Equity	\$419,086.44
Change in Stock Value	\$3,031.06
Interest & Dividends	\$414.87
This Month's Closing Equity	\$422,532.37

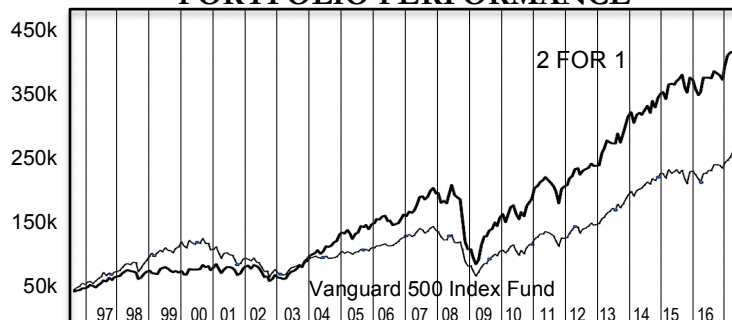
ANNUALIZED RETURN 7/31/96 – 4/30/17

2 for 1: + **10.83%** Vanguard 500 Fund: +8.41%
(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, an IRA account with E*Trade in the editor's name. 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 a portfolio of 30 companies, large and small. The 2 for 1 portfolio was started in July, 1996 with \$50,000. The \$387,827 basis above reflects \$337,827 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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