



2 for 1[®]

Neil Macneale's
Stock Split
Newsletter

Volume 21 Issue 11

2-for-1.com

November 18, 2016

RECENT SPLITS – OUR BUY

Church & Dwight Co.

We had three split announcements in October but I'm going to go with Church & Dwight (CHD), a company that has been waiting its turn since its 2 for 1 split announcement last August. CHD is a consumer products, non-cyclical business; in other words, a defensive stock, perfect for unsettled times in the financial markets. Church & Dwight is not a name familiar to many, but its brands are familiar to almost everyone. CHD makes and sells hundreds of household products ranging from Arm & Hammer baking soda to Trojan condoms. Other brand names include Oxiclean, Arrid, and Pepsodent.

Over the last few months CHD's ranking score has increased in both relative and absolute terms. Very low volatility and a nice dividend are the standout numbers here, but steady growth and healthy margins contributed to put CHD at the top of the list this time around. It's especially nice to have this defensive position added to the portfolio at this particular time.

USANA Health Sciences (USNA) is a direct marketing company in the nutritional supplement business. There is a lot to like here in the way of good fundamental numbers, including zero long-term debt, but there is no dividend and USNA stock is somewhat more volatile than the overall market. We'll be evaluating this stock again over the next several months.

Integra LifeSciences (IART) manufactures and markets surgical implants and medical instruments. Stock price volatility is lower than the overall market but earnings and growth numbers have been on a roller coaster over the last few years. A PE over 50 also pulls this one down.

Symbol	Company	Split Delivery	Rank
CHD	Church & Dwight Co.	09/01/16	1
USNA	USANA Health Sciences	11/22/16	2
IART	Integra LifeSciences	01/03/17	3
AOS	A. O. Smith Corp	10/05/16	4
MNST	Monster Beverage Corp	11/09/16	4

PORTFOLIO ITEMS

The Election and the Future

Whether you are ecstatic or despondent over the election results, there is this question. What effect will the Trump presidency have on your investments? This may sound like a cop-out, but I'm going to offer this rather safe prediction. The short-term impact of Trump's election will be minimal; the long-term impact could be profound. The national and world economies don't change course overnight – even if Donald Trump manages to keep all his campaign promises, which would be difficult if not impossible, the resulting economic changes will come slowly. Therefore, no sudden or drastic changes in your investments are called for. This is easy advice because it's always true.

That being said, there is also this to be prepared for. Everything on Trump's wish list will cost a lot of money. Trump is certainly not afraid of borrowing and Republican Congresses have never been able to resist this easy path in the past, despite their "balanced budget" rhetoric. So deficits and the national debt will grow and the government and the private sector will be competing for funds, pushing interest rates higher. This all could lead to a short-term spike in growth, but prove to be unsustainable in the long run, with a major collapse and recession the inevitable end result.

Economics aside, I fear Trump's ascendancy has doomed us to live in a meaner, coarser, and less caring country. Unfortunately, this trend seems irreversible and I am sad beyond measure for my kids and grandchildren.

THIS MONTH'S SELL

Toronto-Dominion Bank

Toronto-Dominion Bank (TD) has been a winner and a loser for 2 for 1, depending on what time period you're talking about, but when we sell next week, the stock price will be little changed over our 33 month ownership. However, the return provided by the dividend out-paced the capital gain and, when combined, gave us a 14.75% gain, or about 5% annualized. The Vanguard 500 Index Fund has returned 6.8%, or 2.4% annualized, over the same period.



2 for 1 MODEL PORTFOLIO – OCTOBER STATEMENT

		# SH	BOUGHT	COST PER SHARE	QUOTE ON 10/31/16	BASIS	START MONTH	END MONTH	% OF PORT
CASH							\$2,839.33	\$5,797.43	1.55%
TD	TORONTO-DOMINION BANK	300	01/21/14	43.848	45.380	13,154.25	13,320.00	13,614.00	3.64%
MLI	MUELLER INDUSTRIES	350	03/17/14	30.554	30.290	10,693.74	11,347.00	10,601.50	2.84%
AWH	ALLIED WORLD ASSURANCE	300	04/21/14	34.667	42.980	10,399.99	12,126.00	12,894.00	3.45%
AAPL	APPLE CORP	119	05/19/14	86.355	113.540	10,276.29	13,452.95	13,511.26	3.62%
UNP	UNION PACIFIC	130	06/16/14	83.431	88.180	10,846.00	12,678.90	11,463.40	3.07%
OTEX	OPENTEXT INC	230	07/21/14	47.719	62.080	10,975.33	14,917.80	14,278.40	3.82%
COLM	COLUMBIA SPORTSWEAR	220	08/18/14	37.668	56.640	8,287.03	12,482.80	12,460.80	3.33%
APH	AMPHENOL	216	09/15/14	52.086	65.930	11,250.63	14,022.72	14,240.88	3.81%
CALM	CAL-MAINE FOODS	280	11/17/14	41.936	38.650	11,741.96	10,791.20	10,822.00	2.90%
HAIN	HAIN CELESTIAL GROUP	300	12/15/14	36.803	36.370	11,040.87	10,674.00	10,911.00	2.92%
GNTX	GENTEX CORP	660	01/20/15	17.395	16.910	11,480.79	11,589.60	11,160.60	2.99%
NJR	NEW JERSEY RESOURCES	380	02/17/15	31.920	33.950	12,129.73	12,486.80	12,901.00	3.45%
MGA	MAGNA INTERNATIONAL INC	300	03/16/15	49.120	41.050	14,736.13	12,885.00	12,315.00	3.30%
SBUX	STARBUCKS CORP.	260	04/20/15	47.963	53.070	12,470.36	14,076.40	13,798.20	3.69%
PPG	PPG INDUSTRIES	133	05/18/15	110.692	93.130	14,722.05	13,746.88	12,386.29	3.31%
NTT	NIPPON T & T	350	06/15/15	35.340	44.390	12,368.84	16,033.50	15,536.50	4.16%
CF	CF INDUSTRIES HOLDINGS	400	07/20/15	48.350	24.010	19,339.80	9,740.00	9,604.00	2.57%
EXPO	EXPONENT INC.	285	08/17/15	43.895	57.250	12,510.09	14,552.10	16,316.25	4.37%
FBIZ	FIRST BUSINESS FINANCIAL SERV.	520	09/21/15	23.019	18.850	11,969.99	12,220.00	9,802.00	2.62%
AZN	ASTRAZENECA	370	11/16/15	32.394	28.320	11,985.78	12,158.20	10,478.40	2.80%
AFSI	AMTRUST FINANCIAL SERVICES	400	12/21/15	30.754	26.390	12,301.63	10,732.00	10,556.00	2.82%
HRL	HORMEL FOODS	292	01/19/16	38.784	38.500	11,324.99	11,075.56	11,242.00	3.01%
NKE	NIKE, INC.	200	02/16/16	57.990	50.180	11,597.99	10,530.00	10,036.00	2.69%
ENSG	ENSIGN GROUP	550	04/18/16	23.249	18.470	12,786.99	11,071.50	10,158.50	2.72%
HOMB	HOME BANCSHARES	600	05/16/16	20.351	21.510	12,210.63	12,486.00	12,906.00	3.45%
LNT	ALLIANT ENERGY	320	06/20/16	39.040	38.050	12,492.74	12,259.20	12,176.00	3.26%
LKFN	LAKELAND FINANCIAL	390	07/18/16	33.277	36.840	12,978.19	13,813.80	14,367.60	3.84%
ICE	INTERCONTINENTAL EXCHANGE	46	08/15/16	279.465	270.390	12,855.38	12,390.56	12,437.94	3.33%
BMI	BADGER METER INC	380	09/19/16	33.166	32.150	12,603.19	12,733.80	12,217.00	3.27%
TTC	TORO CORP	265	10/17/16	47.294	47.880	12,532.89	12,532.89	12,688.20	3.40%
TOTAL CASH AND EQUITIES						\$366,064.27	\$373,678.15	100.00%	

ACCOUNT VALUE SUMMARY - 10/31/16

Description	Amount
Last Month's Closing Equity	\$380,272.80
Change in Stock Value	-\$7,078.76
Interest & Dividends	\$484.11
This Month's Closing Equity	\$373,678.15

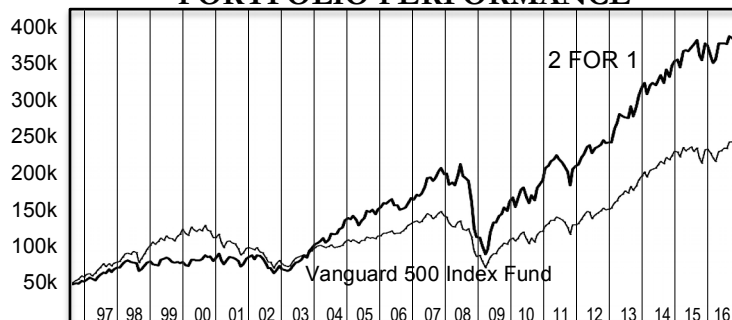
ANNUALIZED RETURN 7/31/96 – 10/31/16

2 for 1: + **10.44%** Vanguard 500 Fund: +8.01%
(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 \$366,064 basis above reflects \$316,064 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



2 for 1® is published and distributed by Neil Macneale, Inc., 140 O'Connor St., Menlo Park, CA 94025. Phone 408-210-6881. E-mail splits241@2-for-1.com. Neil Macneale, Inc., dba 2 for 1®, is not a broker and does not offer individual investment advice. 2 for 1 is published each month on the Friday closest to the 15th of that month. Contents are copyrighted but may be copied or quoted if attributed to the source. 2 for 1 subscription rate = \$20.00 per month for electronic delivery, payable by automatic monthly debit from any major credit or debit card approximately one week prior to publication. No long-term commitment is required.