



# 2 for 1<sup>®</sup>

Neil Macneale's  
Stock Split  
Newsletter

Volume 25 Issue 2

[2-for-1.com](http://2-for-1.com)

February 14, 2020

## RECENT SPLITS

### Big Changes

Beginning next month your credit card will no longer be charged for your 2 for 1 website access. Until now, I have felt it was OK to ask my subscribers to pay for their 2 for 1 newsletter because I felt I was providing value that was not available anywhere else. And 2 for 1 was achieving its goal of beating the market over the long term. Now, that seems to be no longer the case. See the adjacent article.

Considering all the options, I have concluded a change in course is in order. 2 for 1 will still be a monthly publication but not in this format. I will still offer buy and sell recommendations. I will continue to maintain my 2 for 1 E\*Trade IRA account as the best way to track the successes and mistakes of my investing history. The primary shift will be the ability for you and future subscribers to access 2 for 1 for free on the 2 for 1 website. Subscribers will only have to provide an email address, user name, and password to gain access. You will see evidence of these changes on the website over the coming several weeks. Current subscribers do not need to do anything.

The primary motivation for these changes is simple. I don't feel comfortable charging customers for a service that no longer provides the value it once did. If and when splits are more plentiful, and if and when 2 for 1 can provide value not available anywhere else, I may re-start the monthly credit card charges. In the meantime, I'm going to simplify the format, making 2 for 1 into more of a monthly blog. Commentary on the state of the economy may pop up from time to time but, in general, I'm going to limit the news to reporting the progress of the portfolio. I will continue the practice of not entering into any trades until after notifying my subscribers of my intentions.

I want to thank all my readers for your interest in the 2 for 1 strategy and your past support for the newsletter. I hope to proceed in a way that continues to be interesting and useful.

## PORTFOLIO ITEMS

### Stock Picking

With ten of our stocks being non-splitters, and every indication the "tradition" of splitting shares is coming to a close, I have to face the fact that the 2 for 1 portfolio is going through some fundamental changes. To get a clear picture of how I'm doing as a stock picker when there are no splits to choose from, we can look at the total return, dividends included, for all 2 for 1 positions, using annualized returns for all companies owned for more than a year, and the straight percentage return so far for all companies owned for less than a year.

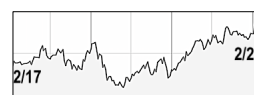
When comparing our 16 splitters to the 10 non-splitters now in the portfolio (the QYLD ETF was not included), the difference was significant. The splitters have averaged a 14.42% total return vs. 8.04% for the non-splitters. Several of the non-splitters were chosen specifically as safe "placeholders" but, nevertheless, the non-splitters' performance, as a group, is disappointing.

The portfolio's performance so far this year might also be hinting that, by being diluted with non-splitters, the 2 for 1 portfolio is slowly losing its advantage over the market. Just in the year so far 2 for 1 has fallen close to 2% behind the market – not a good start for 2020. It's easy to believe we can recover, but probably only with some quality splits.

## THIS MONTH'S SELL

### Comcast

When I recommended Comcast (CMCSA) in Feb, 2017, I said it would be a "safe, stable anchor for the 2 for 1 portfolio." That was more or less true but



the anchor got stuck from time to time and wound up holding the portfolio back. CMCSA will have

an overall return of about 7.1% annualized when we sell next week. The Vanguard 500 Index Fund will have an annualized gain of  $\pm 14.0\%$  over the same period.

		# SH	BOUGHT	VALUE	CLOSE	COST	START	END	% OF
				AT	ON	BASIS	MONTH	MONTH	PORT
				BUY	1/31/20				
CASH							51,432.86	21,884.79	8.45%
CMCSA	COMCAST	430	02/24/17	37.874	43.190	16,285.94	19,337.10	18,571.70	3.07%
CPRT	COPART INC	300	04/17/17	29.721	101.460	8,916.30	27,282.00	30,438.00	5.04%
SLGN	SILGAN HOLDINGS	700	05/15/17	30.976	30.860	21,683.36	21,756.00	21,602.00	3.58%
SPKE	SPARK ENERGY INC	720	07/17/17	20.007	9.490	14,404.95	6,645.60	6,832.80	1.13%
MRTN	MARTEN TRANSPORT LTD	1000	08/22/17	16.064	20.760	16,063.84	21,490.00	20,760.00	3.44%
NLY	ANNALY CAPITAL MGMT	1900	12/18/17	12.250	9.760	22,145.65	17,898.00	18,544.00	3.07%
AFL	AFLAC INC	340	02/20/18	44.395	51.570	15,094.15	17,986.00	17,533.80	2.90%
BRO	BROWN & BROWN INC	600	03/19/18	26.353	44.900	15,811.95	23,688.00	26,940.00	4.46%
AGX	ARGAN INC.	500	04/16/18	38.649	42.110	19,324.50	20,070.00	21,055.00	3.48%
EXPO	EXPONENT INC.	370	08/17/15	21.948	72.770	8,120.58	25,533.70	26,924.90	4.46%
SWK	STANLEY BLACK & DECKER	150	05/21/18	145.687	159.330	21,853.07	24,861.00	23,899.50	3.96%
HBNC	HORIZON BANCORP INC	1000	06/18/18	20.266	16.920	20,265.90	19,000.00	16,920.00	2.80%
NWE	NORTHWESTERN CORP	280	07/16/18	58.708	76.970	16,438.15	20,067.60	21,551.60	3.57%
FDEF	FIRST DEFIANCE FINANCIAL	600	08/20/18	31.989	29.390	19,193.40	18,894.00	17,634.00	2.92%
NHC	NATIONAL HEALTHCARE CORP	230	09/17/18	73.952	83.920	17,008.85	19,878.90	19,301.60	3.19%
TJX	TJX COMPANIES	400	10/15/18	54.960	59.040	21,984.01	24,424.00	23,616.00	3.91%
CASS	CASS INFORMATION SYSTEMS	400	11/19/18	55.629	54.020	22,251.72	23,096.00	21,608.00	3.58%
T	AT&T	530	01/22/19	30.969	37.620	16,413.75	20,712.40	19,938.60	3.30%
WRB	W. R. BERKLEY	315	03/18/19	56.049	73.530	17,655.45	21,766.50	23,161.95	3.83%
WHF	WHITEHORSE FINANCIAL	1280	04/16/19	14.081	13.890	18,023.54	17,536.00	17,779.20	2.94%
FFIN	FIRST FINANCIAL BANKSHARES	600	05/20/19	30.408	33.520	18,244.95	21,060.00	20,112.00	3.33%
PPL	PPL CORP	580	06/17/19	31.309	36.190	18,158.95	20,810.40	20,990.20	3.47%
KELYA	KELLY SERVICES, INC.	800	07/15/19	26.175	17.760	20,940.03	18,064.00	14,208.00	2.35%
FAST	FASTENAL CO	630	08/19/19	30.398	34.880	19,150.65	23,278.50	21,974.40	3.64%
MBCN	MIDDLEFIELD BANC CORP	860	10/21/19	23.148	25.160	19,907.50	22,437.40	21,637.60	3.58%
TKR	TIMKEN CO.	370	11/18/19	53.410	52.530	19,761.70	20,834.70	19,436.10	3.22%
QYLD	NASDAQ 100 COVERED CALL ETF	2100	01/21/20	23.760	23.510	49,896.00	49,896.00	49,371.00	8.17%

(The portfolio numbered 27 positions as of 1/31, a result of very scarce new split announcements. The count will be brought back to 30 as conditions permit)

TOTAL CASH AND EQUITIES

\$514,998.84

\$604,226.74 100.00%

### ACCOUNT VALUE SUMMARY - 1/31/20

Description	Amount
Last Month's Closing Equity	\$608,896.66
Change in Stock Value	-\$6,246.29
Interest & Dividends	\$1,576.37
This Month's Closing Equity	\$604,226.74

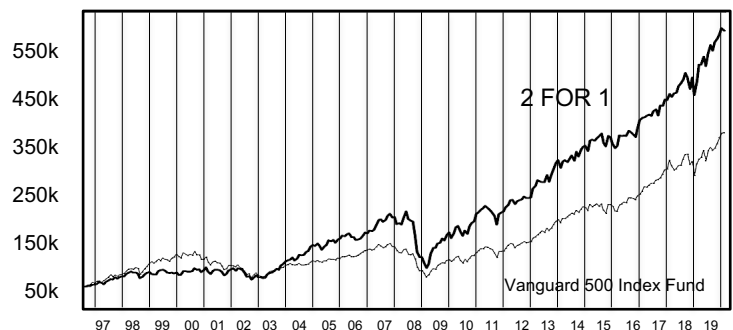
### ANNUALIZED RETURN 7/31/96 - 1/31/20

2 for 1: **+11.19 %** Vanguard 500 Fund: +9.06%  
(all costs and dividends included for both)

### THE FINE PRINT

The above list represents all of the securities recommended, bought, and which are present in the 2 for 1 portfolio as of 1/31/20. An actual IRA account with E\*Trade in the editor's name, the 27 stocks on this list constitute the entire 2 for 1 portfolio. The graph of the performance, above and 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 27 companies, large and small. The 2 for 1 portfolio was started in July, 1996 with \$50,000. The \$514,999 basis above, plus the cash, minus the \$50K, is the total of all the realized gains accrued since the portfolio's inception. It shall not be assumed that recommendations made in this 2 for 1 issue, or in any future issues, will be profitable or will equal the performance of the securities on this list, now or in the future.

### PORTFOLIO PERFORMANCE



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