

2 for 1 Index[®]

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Ah, the Google split - what to think? What prompted them to do it? Why did they wait so long? Is this going to start a flood of splits? Do I like it? Is it going into the 2 for 1 Index?

I've asked myself all these questions and have been getting the same from friends, family, and 2 for 1 subscribers. I even created a poll on LinkedIn attempting to, not very scientifically, measure the public sentiment regarding the Google split. Thank you, to those who responded. If you're curious, 4% of responders to the poll voted "Who cares" if Google is in the Index, 0% thought Google was dangerous, 15% thought I should wait a few months, and 81% said adding GOOGL to the Index was a "no brainer". Of those 81%, several added the caveat that the company had to get a thumbs-up from the regular screening algorithm I use for all the stocks in the Index. To get to the point, I have answered the final question in the above list. Yes, Alphabet (GOOGL) will be added to the 2 for 1 Index next Tuesday.

Of course, I'm happy to be in agreement with the majority of my poll responders. But I'm also happy to report that Google's numbers are better than I expected and do add up to a fairly high ranking on my spreadsheet. In spite of being one of the popular, high-flying tech stocks, which I'm usually happy to avoid, we have a company with a reasonable PE for a growth stock (24), 32% annual growth over 5 years, almost zero debt, only slightly above average volatility, and an enviable profit margin (30%). The lack of a dividend was the only negative I could find.

In 2012 Google announced a 2 for 1 split creating the Class C non-voting shares with the ticker GOOG. I never liked that concept and the Index will be taking on only GOOGL, the Class A voting shares.

No one clicked the "No way - a dangerous company" choice on the LinkedIn poll, which surprised me a bit. I don't personally think Google is dangerous but there is a growing awareness that Google is one of several large enterprises gathering personal information, tracking our movements and, in general, knowing everything about us. What this means for our society into the future is anybody's guess.

W. R. Berkley (WRB) will be deleted from the Index next Tuesday. Sorry to see WRB fall off the list. Added in March, 2019, WRB has provided us with a 19.3% annualized return over just shy of three years. This includes all dividends, including three large special dividends in just that time on the Index.

In summary, **GOOGL will be added to and WRB will be deleted from the Index this month.** There will be a rebalance, holding the 2 for 1 Index to 30 equally balanced positions, as of the market close on Tuesday, 2/22/22. The market will be closed on Monday in observance of President's Day.

Neil Macneale

WRB	W. R. BERKLEY	MAR-19	AAPL	APPLE INC.	SEP-20	2 for 1 Index inception 7/31/1996
WHF	WHITEHORSE FINANCIAL	APR-19	NEE	NEXTERA ENERGY INC.	OCT-20	
FFIN	FIRST FINANCIAL BANKSHARES	MAY-19	BEP	BROOKFIELD RENEWABLE	NOV-20	Value at inception = 100
PPL	PPL CORP	JUN-19	WAFD	WASHINGTON FEDERAL, INC	DEC-20	
KELYA	KELLY SERVICES, INC	JUL-19	SHW	SHERMAN-WILLIAMS, INC.	FEB-21	Value as of 2/17/22 = 1956.65
FAST	FASTENAL CO	AUG-19	LSI	LIFE STORAGE, INC.	MAR-21	
MBCN	MIDDLEFIELD BANC CORP	OCT-19	HWKN	HAWKINS, INC.	APR-21	All time high - 1/4/22 = 2105.21
TKR	TIMKEN CO.	NOV-19	CP	CANADIAN PACIFIC	MAY-21	
TU	TELUS COMUNICATIONS INC	MAR-20	CSX	CSX CORPORTION	JUN-21	52 week low - 2/26/21= 1689.79
BEN	FRANKLIN RESOURCES	APR-20	SCVL	SHOE CARNIVAL, INC.	JUL-21	
AWR	AMERICAN STATES WATER	MAY-20	ISRG	INTUITIVE SURGICAL, INC.	AUG-21	Overall annualized return = 12.34%
EW	EDWARDS LIFESCIENCES	JUN-20	RJF	RAYMOND JAMES FINANCIAL	SEP-21	
MRTN	MARTEN TRANSPORT LTD	AUG-17	TM	TOYOTA MOTORS CORP	OCT-21	Comparable S&P total return = 9.85%
COST	COSTCO WHOLESALE CORP	JUL-20	MBIN	MERCHANTS BANCORP	DEC-21	
TREX	TREX COMPANY INC	AUG-20	NSSC	NAPCO SECURITY TECH.	DEC-21	