

# 2 for 1 Index<sup>®</sup>

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February 16, 2024

Walmart Inc. (WMT) announced a 3 for 1 split at the end of January and will deliver the split shares a week from today. Walmart is huge, bigger than Target or Amazon, in terms of employees, with over two million. Its impacts on the economy and our society, good and bad, cannot be denied. All things considered, I've decided against adding WMT to the 2 for 1 Index. WMT's valuation numbers are higher than average for the market and, in my opinion, not justified by its modest growth numbers. The 2 for 1 Index already contains one giant retailer, Costco (COST). And, evaluating the way they do business, I like Costco a lot better than I like Walmart. Just one example; Costco's annual employee turnover, one clue as to a company's health, is unusually low, at 17% overall and just 6% after one year's employment. In contrast, turnover at Walmart is 44% a year. In addition to all the above, Walmart's stock price is near its all-time high at the moment and it would probably not be a good time to add WMT to the Index, even if I thought it deserved to be included.

Without any other splits to consider, and following the Index methodology of deleting the company at the top of the list on a monthly basis, the Index will drop to 28 positions as of next Tuesday. Thirty positions is our ideal number, and I don't like to deviate from that but, in theory, going even as low as 25 positions would still provide the mathematical certainty of ample diversification. I will build back up to 30 when opportunities present themselves.

Sherwin-Williams (SHW) is due for deletion from the Index and will be dropped next Tuesday. SHW has not been a big winner for the Index but it is going out on a high note and way up from last October. Overall return for SHW, dividends included, will be about 32% or 9.6% annualized.

In summary, for February, **SHW will be deleted from the Index and there will be no addition.** There will be a rebalance, bringing the 2 for 1 Index to 28 equally balanced positions, as of the market close on 2/20/24. The market is not open on Monday for President's Day

Neil Macneale

SHW	SHERWIN-WILLIAMS, INC.	FEB-21	AMRK	A-MARK PRECIOUS METALS	JUN-22	2 for 1 Index inception 7/31/1996
EXR	EXTRA SPACE STORAGE, INC.	MAR-21	REX	REX AMERICAN RESOURCES	JUL-22	
HWKN	HAWKINS, INC.	APR-21	TECH	BIO-TECHNE CORP.	SEP-22	Value at inception = 100
CP	CANADIAN PACIFIC	MAY-21	UHAL	U-HAUL HOLDING CO.	NOV-22	
CSX	CSX CORPORATION	JUN-21	PCAR	PACCAR, INC.	DEC-22	Value as of 2/15/24 = 2300.30
SCVL	SHOE CARNIVAL, INC.	JUL-21	SSRM	SSR MINING INC.	FEB-23	
ISRG	INTUITIVE SURGICAL, INC.	AUG-21	GCBC	GREENE COUNTY BANCORP	MAR-23	All time high - 2/12/24 = 2308.75
RJF	RAYMOND JAMES FINANCIAL	SEP-21	AAON	AAON INC.	JUL-23	
TM	TOYOTA MOTORS CORP	OCT-21	CRPT	COPART, INC.	AUG-23	52-week low - 3/10/23 = 1789.10
MBIN	MERCHANTS BANCORP	DEC-21	SRE	SEMPRA	AUG-23	
NSSC	NAPCO SECURITY TECH.	DEC-21	NVO	NOVO NORDISK	SEP-23	Overall annualized return = 12.06%
GOOGL	ALPHABET, INC.	FEB-22	MLI	MUELLER INDUSTRIES	OCT-23	
CM	CIBC	MAR-22	SNEX	STONEX GROUP INC.	NOV-23	Comparable S&P total return = 9.79%
PTSI	P. A. M. TRANSPORTATION	APR-22	HUBG	HUB GROUP, INC.	JAN-24	
CTO	CTO REALTY GROWTH, INC.	MAY-22				