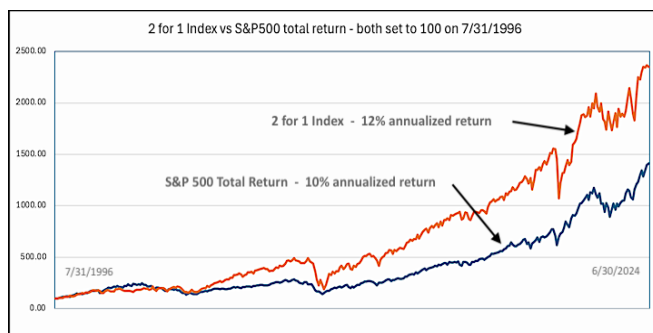


2 for 1 Index[®]

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July 12, 2024

The 2 for 1 Index has been underperforming the market this year even though the Index is at its all-time high. I got curious as to how closely 2 for 1 has matched the ups and downs of the market over the years. With a quick glance at the chart to the right, one could conclude, as I have stated many times, the 2 for 1 Index seems highly correlated with the overall market, meaning both indexes go up and down more or less in lockstep. It turns out it hasn't been that close at all. There's



not enough room here for a long discussion but, for those interested, I've expanded on the details of my analysis in a blog post on the 2 for 1 website. ([2-for-1.com/correlation-analysis](https://www.2-for-1.com/correlation-analysis)) The take-away is that concern with the current divergence between the 2 for 1 Index and the market is probably mis-placed. It has happened before. We must simply have patience and faith in 2 for 1's winning long-term track record.

We have three new split announcements to check out. I've put Broadcom, Inc. (AVGO) - 10 for 1, Williams-Sonoma (WSM) - 2 for 1, and W. R. Berkley (WRB) - 3 for 2, along with previously announced Cintas (CTAS) and Lam Research (LRCX), through my ranking screens and Berkley scores far better than all the rest. WRB was in the Index a few years ago and returned almost 20% annualized. This is a well-run \$20B insurance business with great valuation numbers, below market volatility, and a 1.85% dividend. WRB will be our July addition to the 2 for 1 Index.

Broadcom and Lam Research are Nvidia copy-cats with their 10 for 1 splits and super high valuations. I went out on a limb with NVDA last month and I think that's enough from the tech sector for a while. Williams-Sonoma and Cintas are fine companies, but we only need one, and Berkley stands out by comparison. This brings back the old days when often dozens of splits had to be passed over every month!

Shoe Carnival (SCVL) will be deleted from the Index next week. SCVL has been a disappointment. Added to the Index three years ago, this shoe retailer has returned only around 14% overall.

In summary, for July, **WRB will be added to the Index and SCVL will be deleted.** There will be a rebalance, maintaining the 2 for 1 Index at 29 equally weighted positions, as of the market close on Monday 7/15/24.

Neil Macneale

SCVL	SHOE CARNIVAL, INC.	JUL-21	SSRM	SSR MINING INC.	FEB-23	2 for 1 Index inception 7/31/1996
ISRG	INTUITIVE SURGICAL, INC.	AUG-21	GCBC	GREENE COUNTY BANCORP	MAR-23	
RJF	RAYMOND JAMES FINANCIAL	SEP-21	AAON	AAON INC.	JUL-23	Value at inception = 100
TM	TOYOTA MOTORS CORP	OCT-21	CRPT	COPART, INC.	AUG-23	
MBIN	MERCHANTS BANCORP	DEC-21	SRE	SEMPRA	AUG-23	Value as of 7/11/24 = 2430.96
NSSC	NAPCO SECURITY TECH.	DEC-21	NVO	NOVO NORDISK	SEP-23	
GOOGL	ALPHABET, INC.	FEB-22	MLI	MUELLER INDUSTRIES	OCT-23	All time high - 7/11/24 = 2430.96
CM	CIBC	MAR-22	SNEX	STONEX GROUP INC.	NOV-23	
PTSI	P. A. M. TRANSPORTATION	APR-22	HUBG	HUB GROUP, INC.	JAN-24	52-week low - 10/27/23 = 1814.17
CTO	CTO REALTY GROWTH, INC.	MAY-22	ODFL	OLD DOMINION FREIGHT LN	MAR-24	
AMRK	A-MARK PRECIOUS METALS	JUN-22	COO	COOPER INC.	MAR-24	Overall annualized return = 12.10%
REX	REX AMERICAN RESOURCES	JUL-22	USLM	US LIME AND MINERALS	MAY-24	
TECH	BIO-TECHNE CORP.	SEP-22	APH	AMPHENOL	JUN-24	Comparable S&P total return = 10.07%
UHAL	U-HAUL HOLDING CO.	NOV-22	NVDA	NVIDIA	JUN-24	
PCAR	PACCAR, INC.	DEC-22				