

2 for 1 Index[®]

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June 13, 2025

When the world goes crazy the stock market tends to follow right along. The recent volatility of some of the stocks in the 2 for 1 Index is remarkable, but really just a reflection what's going on in the overall market and the world at large. And what do we have when we look at the candidates for possible additions to the 2 for 1 Index? It's not a pretty picture. I looked over five recent split announcements thinking surely there must be one or two that would be a good fit. Nope. They range from way too expensive to simply bonkers.

APi Group Corp. (APG) is splitting 3 for 2. It's a life safety maintenance and consulting company (fire protection services, alarm systems, and secure access systems) formed in 2020. APG is the most "normal" of the five companies listed here. However, the company is not very profitable, the stock is expensive, it pays no dividend, and the balance sheet is relatively weak. Our premise is that a stock split often signals the board's confidence in a company's future prospects, but I can't see where that confidence comes from in this case.

Interactive Brokers Group Inc. (IBKR) was discussed in the May issue of this newsletter and its fundamentals and market price haven't moved much since. The Index doesn't need another financial services company.

Pegasystems Inc. (PEGA) is a developer of business process and customer engagement software, currently heavily concentrated in Artificial Intelligence (AI). This is a real company with real income. But no one can predict where AI, being "the new big thing", will be a few years down the road, and more importantly, which AI developers will be the winners and which will fade away.

ARK 21Shares Bitcoin ETF (ARKB) is splitting 3 for 1. It's not really a 2 for 1 candidate because it's an ETF, but I include it because it's a great example of the world gone crazy. 1) The future of cryptocurrency is totally unpredictable, and 2) Cathie Wood, who runs the ARK portfolio and, in recent years, has had an absolutely terrible track record. Why would anyone invest in this?

Regencell Bioscience Holdings Ltd. (RGC), splitting 38 to 1, is a bioscience company investigating the commercialization of traditional Chinese medicine. RGC has 12 employees and zero income. That the market can put a value of \$7.3 Billion on this company is, in my humble opinion, completely bonkers.

CTO is past due for deletion. I liked the idea of having a real estate component in the 2 for 1 Index when I added it three years ago, but I misjudged the length of time it would take for the commercial market to recover from the pandemic. There are still lots of empty buildings all over the country. CTO was a loser for 2 for 1. Time to bail out.

In summary, for June, **there will be no addition to the Index and CTO will be deleted.** The 27 stocks that will now be in the Index will be rebalanced to equally weighted positions at market close on Monday 6/16/25.

Neil Macneale

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	2 for 1 Index inception 7/31/1996
REX	REX AMERICAN RESOURCES	JUL-22	USLM	US LIME AND MINERALS	MAY-24	
TECH	BIO-TECHNE CORP.	SEP-22	APH	AMPHENOL	JUN-24	Value at inception = 100
UHAL	U-HAUL HOLDING CO.	NOV-22	NVDA	NVIDIA	JUN-24	
PCAR	PACCAR, INC.	DEC-22	WRB	W.R. BERKLEY	JUL-24	Value as of 6/12/25 = 2450.44
SSRM	SSR MINING INC.	FEB-23	RYAAY	RYANAIR HOLDINGS	SEP-24	
GCBC	GREENE COUNTY BANCORP	MAR-23	ODC	OIL DRI CORP	OCT-24	All time high - 11/11/24 = 2685.98
AAON	AAON INC.	JUL-23	RLI	RLI CORP.	NOV-24	
CPRT	COPART, INC.	AUG-23	MTH	MERITAGE HOMES	DEC-24	52-week low - 4/8/25 = 2090.30
SRE	SEMPRA	AUG-23	SNEX	STONEX GROUP INC.	NOV-23	
NVO	NOVO NORDISK	SEP-23	IX	ORIX CORP	FEB-25	Overall annualized return = 11.72%
MLI	MUELLER INDUSTRIES	OCT-23	ORLY	O'REILLY AUTOMOTIVE, INC.	APR-25	
HUBG	HUB GROUP, INC.	JAN-24	FAST	FASTENAL, INC.	MAY-25	Comparable S&P total return = 10.09%