

2 for 1 Index[®]

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There have been three 2 for 1 split announcements since last month's newsletter. Greene County Bancorp on 2/21, and both Monster Beverages and Meridian Corp on 2/28. Meridian (MRBK) and Greene County (GCBC) are both small banks but Meridian is just too small to be considered. That leaves me to choose either Monster (MNST) or Greene County, or neither one.

Monster Beverages has several metrics that are a plus. No long-term debt, fairly profitable, and slightly less volatile than the market. However, MNST stock is very expensive, trading at over 7 times book value and with a PE of 45. Analysts are predicting higher earnings for the year, thus a lower PE, but I have no faith in those predictions, especially since the Index would be holding MNST for up to three years. MNST is what I would call a "hot" stock and that is not what I'm looking for at this time.

Greene County Bancorp presents a completely different picture. GCBC has been around since 1889 serving the Catskills in up-state New York. Value measurements for GCBC look good, particularly the price-to-book at less than half of the average of its peers. Earnings growth has been strong over the last several years and most of the increase in revenue has been going to the bottom line. The stock trades with a volatility of only about 20% of the overall market. The dividend yield of about 1.8% has been stable. 6% of GCBC shares are owned by directors and managers, some of whom have recently been adding to their holdings. This is a small company and trading is relatively thin and, as I write this, banks are getting hammered by the fallout from the Silicon Valley Bank fiasco but, all that being said, this will be a very good opportunity to add a small well managed bank to the 2 for 1 Index.

American States Water (AWR) has reached the top of the 2 for 1 ladder and will be dropped at this time. AWR's overall return over almost three years, including dividends, will be about 27% or 9% annualized.

In summary, **GCBC will be added to the Index and AWR will be deleted from the Index this month.** There will be a rebalance, maintaining the 2 for 1 Index at 30 equally balanced positions, as of the market close on Monday 3/20/23.

Neil Macneale

AWR	AMERICAN STATES WATER	MAY-20	ISRG	INTUITIVE SURGICAL, INC.	AUG-21	2 for 1 Index inception 7/31/1996
EW	EDWARDS LIFESCIENCES	JUN-20	RJF	RAYMOND JAMES FINANCIAL	SEP-21	
MRTN	MARTEN TRANSPORT LTD	AUG-17	TM	TOYOTA MOTORS CORP	OCT-21	Value at inception = 100
COST	COSTCO WHOLESALE CORP	JUL-20	MBIN	MERCHANTS BANCORP	DEC-21	
TREX	TREX COMPANY INC	AUG-20	NSSC	NAPCO SECURITY TECH.	DEC-21	Value as of 3/16/23 = 1837.30
AAPL	APPLE INC.	SEP-20	GOOGL	ALPHABET, INC.	FEB-22	
NEE	NEXTERA ENERGY INC.	OCT-20	CM	CIBC	MAR-22	All time high - 1/4/22 = 2105.21
BEP	BROOKFIELD RENEWABLE	NOV-20	PTSI	P. A. M. TRANSPORTATION	APR-22	
WAFD	WASHINGTON FEDERAL, INC	DEC-20	CTO	CTO REALTY GROWTH, INC.	MAY-22	52-week low - 6/16/22 = 1660.56
SHW	SHERWIN-WILLIAMS, INC.	FEB-21	AMRK	A-MARK PRECIOUS METALS	JUN-22	
LSI	LIFE STORAGE, INC.	MAR-21	REX	REX AMERICAN RESOURCES	JUL-22	Overall annualized return = 11.55%
HWKN	HAWKINS, INC.	APR-21	TECH	BIO-TECHNE CORP.	SEP-22	
CP	CANADIAN PACIFIC	MAY-21	UHAL	U-HAUL HOLDING CO.	NOV-22	Comparable S&P total return = 9.10%
CSX	CSX CORPORTION	JUN-21	PCAR	PACCAR, INC.	DEC-22	
SCVL	SHOE CARNIVAL, INC.	JUL-21	SSRM	SSR MINING INC.	FEB-23	