

# 2 for 1 Index<sup>®</sup>

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November 17, 2023

I assume (hope) my subscribers are not as compulsive as I am regarding the search for the next good stock split. If that is true, you may not have run across the table you see at the right listing all the split announcements in October. You will notice that all the splits are reverse splits - no "forward" splits. So discouraging. For months now, the number of reverse splits has far exceeded the paltry number of forward splits. Not only does this mean I have very few companies to write about and select for inclusion in the 2 for 1 Index, it also means that a surprising number of companies are in trouble. A reverse split often indicates a pending de-listing from an exchange because the stock price has dropped below a required minimum. The gross imbalance between optimistic, forward-looking companies and struggling, hanging-on-for-dear-life companies is striking, given that our overall economy is in really good shape.

Ticker	Stock Split	Announced
LIFW	1 for 25	10/3/2023
AEMD	1 for 10	10/4/2023
VVPR	1 for 10	10/4/2023
SXTC	1 for 25	10/4/2023
BRQS	1 for 12	10/6/2023
FBIO	1 for 15	10/9/2023
EDSA	1 for 7	10/10/2023
WORX	1 for 15	10/10/2023
AGRI	1 for 50	10/10/2023
TTOO	1 for 100	10/12/2023
AQB	1 for 20	10/13/2023
VLCN	1 for 5	10/13/2023
MIND	1 for 10	10/13/2023
JCSE	1 for 3	10/13/2023
AML.CA	1 for 20	10/13/2023
ISPO	1 for 20	10/16/2023
WAVD	1 for 10	10/17/2023
NEXI	1 for 25	10/18/2023
VVOS	1 for 25	10/26/2023
HYMC	1 for 10	10/26/2023
GLG	1 for 50	10/27/2023
PXMD	1 for 17	10/30/2023
JFBR	1 for 7	10/31/2023
BYFC	1 for 8	10/31/2023
PRE	1 for 15	11/1/2023

The Online Investor - Stock Splits - 11/1/23

Inflation numbers have been coming down for months. Unemployment is near record lows. Earnings announcements are mostly in for Q3 and, overall, results are positive, with 80.4% of companies reporting beating EPS estimates and 63.2% beating revenue estimates. This is the first time quarterly earnings are on track to be positive after three back-to-back quarters of declines for the S&P 500 index. Hopefully, all this good news will motivate a few more companies to consider a stock split.

There actually have been two split announcements since the above table was published. Celsius (CELH), a non-alcoholic beverage company, is splitting 3 for 1. With high valuation numbers and way-above average volatility, this relatively new company has a way to go to prove to me it's viable for the long haul. Another small company, StoneX Group Inc. (SNEX) will deliver a 3 for 2 split next week. SNEX is in the financial services business. Growth and valuation numbers are quite good. No dividend, but other numbers, such as volatility and cash per share, are also impressive. SNEX will be added to the Index.

Nextera Energy (NEE) is at the top of the list and it's time to part ways. I still believe NEE should prove to be a fine long-term investment, but not for the 2 for 1 Index. Our methodology dictates a holding period of 2½ to 3 years. Unfortunately, alternate energy companies seem to be out of fashion at the moment and NEE has delivered about an 8.8% annualized loss for the Index over the last three years.

In summary, **SNEX will be added to the Index and NEE will be deleted.** There will be a rebalance, maintaining the 2 for 1 Index at 30 equally balanced positions, as of the market close on 11/20/23.

Neil Macneale

NEE	NEXTERA ENERGY INC.	OCT-20	CM	CIBC	MAR-22	2 for 1 Index inception 7/31/1996
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	Value at inception = 100
SHW	SHERWIN-WILLIAMS, INC.	FEB-21	AMRK	A-MARK PRECIOUS METALS	JUN-22	
EXR	EXTRA SPACE STORAGE, INC.	MAR-21	REX	REX AMERICAN RESOURCES	JUL-22	Value as of 11/16/23 = 1984.71
HWKN	HAWKINS, INC.	APR-21	TECH	BIO-TECHNE CORP.	SEP-22	
CP	CANADIAN PACIFIC	MAY-21	UHAL	U-HAUL HOLDING CO.	NOV-22	All time high - 7/31/23 = 2147.27
CSX	CSX CORPORTION	JUN-21	PCAR	PACCAR, INC.	DEC-22	
SCVL	SHOE CARNIVAL, INC.	JUL-21	SSRM	SSR MINING INC.	FEB-23	52-week low - 12/28/22 = 1749.45
ISRG	INTUITIVE SURGICAL, INC.	AUG-21	GCBC	GREENE COUNTY BANCORP	MAR-23	
RJF	RAYMOND JAMES FINANCIAL	SEP-21	AAON	AAON INC.	JUL-23	Overall annualized return = 11.57%
TM	TOYOTA MOTORS CORP	OCT-21	CRPT	COPART, INC.	AUG-23	
MBIN	MERCHANTS BANCORP	DEC-21	SRE	SEMPRA	AUG-23	Comparable S&P total return = 9.43%
NSSC	NAPCO SECURITY TECH.	DEC-21	NVO	NOVO NORDISK	SEP-23	
GOOGL	ALPHABET, INC.	FEB-22	MLI	MUELLER INDUSTRIES	OCT-23	