

2 for 1 Index[®]

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An interesting split announcement made the news recently. Twenty different ETFs managed by Charles Schwab have split their shares either 2 for 1, 3 for 1, or in one case, 4 for 1. Should investors who believe in the "stock split advantage" care about a split announcement for an ETF? I think not. The positive signal provided by a split announcement, by a company's board of directors, is the nugget that is the foundation of our strategy. This is the legal inside information that gives us the slight edge over numerous other investment and portfolio management strategies. By splitting the shares of an ETF, the fund managers provide no information about the individual companies that make up their basket of stocks. These splits are bringing their ETF share prices into a more "affordable" range for the retail investor but don't provide any clues about the thinking of the many boards of directors of the individual companies contained in the ETFs.

So, we put the ETFs aside and analyze the individual companies that have announced splits, and there have been three since the last issue of 2 for 1. Sony Group (SONY) has split 10 for 1, NV5 Global (NVEE) has split 4 for 1, and Oil-Dri Corp (ODC) will split 2 for 1 in January. SONY is a big, well-known electronics and entertainment company trading in the US using ADRs sponsored by Citibank. High valuation numbers, not that profitable, not my cup of tea. NVEE is a consulting firm with a concentration in the data-center business. The stock price has been trending lower for the last two years. Nothing to get excited about here.

The third split announcement offers up a real dilemma. Oil-Dri Corp. manufactures sorbent materials. Think oil spill clean-up, water purification, kitty-litter. This is a family controlled, profitable, and well-run business selling something we actually need. It's everything I like about a small business and its score, by my screening algorithm, is off the chart. The problem: it's small and thinly traded with a \$472M market cap and an average trading volume of only $\pm 20,000$ shares a day. Normally I would avoid such a stock but I'm going for it anyway. ODC will go into the Index on Monday.

It's time to knock Toyota off the list. TM has been a disappointment and a drag on the Index. I have no explanation for why this great leader in the auto industry hasn't done better over the last three years.

In summary, for October, **ODC will be added to the Index and TM 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 10/21/24.

Neil Macneale

TM	TOYOTA MOTORS CORP	OCT-21	CPRT	COPART, INC.	AUG-23	2 for 1 Index inception 7/31/1996
MBIN	MERCHANTS BANCORP	DEC-21	SRE	SEMPRA	AUG-23	
NSSC	NAPCO SECURITY TECH.	DEC-21	NVO	NOVO NORDISK	SEP-23	Value at inception = 100
GOOGL	ALPHABET, INC.	FEB-22	MLI	MUELLER INDUSTRIES	OCT-23	
CM	CIBC	MAR-22	SNEX	STONEX GROUP INC.	NOV-23	Value as of 10/17/24 = 2524.93
PTSI	P. A. M. TRANSPORTATION	APR-22	HUBG	HUB GROUP, INC.	JAN-24	
CTO	CTO REALTY GROWTH, INC.	MAY-22	ODFL	OLD DOMINION FREIGHT LN	MAR-24	All time high - 10/16/24 = 2531.64
AMRK	A-MARK PRECIOUS METALS	JUN-22	COO	COOPER INC.	MAR-24	
REX	REX AMERICAN RESOURCES	JUL-22	USLM	US LIME AND MINERALS	MAY-24	52-week low - 10/27/23 = 1814.17
TECH	BIO-TECHNE CORP.	SEP-22	APH	AMPHENOL	JUN-24	
UHAL	U-HAUL HOLDING CO.	NOV-22	NVDA	NVIDIA	JUN-24	Overall annualized return = 12.12%
PCAR	PACCAR, INC.	DEC-22	WRB	W.R. BERKLEY	JUL-24	
SSRM	SSR MINING INC.	FEB-23	TTEK	TETRA TECH INC.	AUG-24	Comparable S&P total return = 10.16%
GCBC	GREENE COUNTY BANCORP	MAR-23	RYAAY	RYANAIR HOLDINGS	SEP-24	
AAON	AAON INC.	JUL-23				