

# 2 for 1 Index<sup>®</sup>

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September 13, 2024

Given that it's coming out on Friday the 13th, and September is historically a terrible month for the market, I considered just skipping this issue of your newsletter. Just kidding. After 337 consecutive monthly issues of 2 for 1, I couldn't simply forget about #338. However, the hope that we are beginning to see a resurgence in split announcements, expressed in last month's issue of 2 for 1, has not come to pass. There has been only one split to consider since the last issue. Ryanair Holdings Plc (RYAAY) announced a 2.5 for 1 split on 8/21 to be paid on 9/30. Ryanair is the Irish low-cost airline similar in many ways to Southwest Airlines (LUV). RYAAY shares trade on the NASDAQ in the form of ADR's (American Depository Receipts) sponsored by the Bank of New York Mellon.

So, the question is - does RYAAY go into the 2 for 1 Index or not? Performance of airline stocks, particularly for international airlines, is notoriously difficult to understand, much less predict. Airlines are inherently risky. Cost of fuel, availability of airport gates, the mood of the traveling public; they're each important variables the airlines have little or no control over. Ryanair's score, after going through my usual screens, is good but not great. In my opinion, two factors provide enough oomph to get this stock into the Index. One, is that RYAAY's numbers compare very well with its peers, particularly regarding profitability and the debt-to-equity ratio which are numbers I weigh fairly heavily. The second reason relates to my perception that the Board of Directors is especially bullish on future prospects for the company. Not only did they declare a 2.5 to 1 stock split (better than 2 for 1); they have also recently completed a significant stock buyback program and are seeking shareholder approval to start another one.

Raymond James Financial will be deleted from the Index next week. RJF was a 3 for 2 split when added to the Index three years ago. Since then, overall performance, dividends included, has almost exactly matched that of the Index as a whole. Not a winner or loser - just a place holder.

There have been two significant negative shocks to the Index this year. In February SSR Mining (SSRM) dropped precipitously after a deadly accident at their mine in Turkey. And more recently, Napco Security (NSSC) took a big hit after a short seller's report accused the firm of accounting fraud. Because of our monthly rebalancing procedure, the Index now contains a significantly higher number of these shares than on the dates of their original appearance in the Index. Only time will tell whether this is a good thing or not. One thing we do see is that one, or even two, bad apples don't automatically spoil the whole barrel.

In summary, for September, **RYAAY will be added to the Index and RJF 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 9/16/24.

Neil Macneale

RJF	RAYMOND JAMES FINANCIAL	SEP-21	AAON	AAON INC.	JUL-23	2 for 1 Index inception 7/31/1996
TM	TOYOTA MOTORS CORP	OCT-21	CPRT	COPART, INC.	AUG-23	
MBIN	MERCHANTS BANCORP	DEC-21	SRE	SEMPRA	AUG-23	Value at inception = 100
NSSC	NAPCO SECURITY TECH.	DEC-21	NVO	NOVO NORDISK	SEP-23	
GOOGL	ALPHABET, INC.	FEB-22	MLI	MUELLER INDUSTRIES	OCT-23	Value as of 9/12/24 = 2400.03
CM	CIBC	MAR-22	SNEX	STONEX GROUP INC.	NOV-23	
PTSI	P. A. M. TRANSPORTATION	APR-22	HUBG	HUB GROUP, INC.	JAN-24	All time high - 8/15/24 = 2435.48
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	52-week low - 10/27/23 = 1814.17
REX	REX AMERICAN RESOURCES	JUL-22	USLM	US LIME AND MINERALS	MAY-24	
TECH	BIO-TECHNE CORP.	SEP-22	APH	AMPHENOL	JUN-24	Overall annualized return = 11.97%
UHAL	U-HAUL HOLDING CO.	NOV-22	NVDA	VIDIA	JUN-24	
PCAR	PACCAR, INC.	DEC-22	WRB	W.R. BERKLEY	JUL-24	Comparable S&P total return = 10.03%
SSRM	SSR MINING INC.	FEB-23	TTEK	TETRA TECH INC.	AUG-24	
GCBC	GREENE COUNTY BANCORP	MAR-23				