

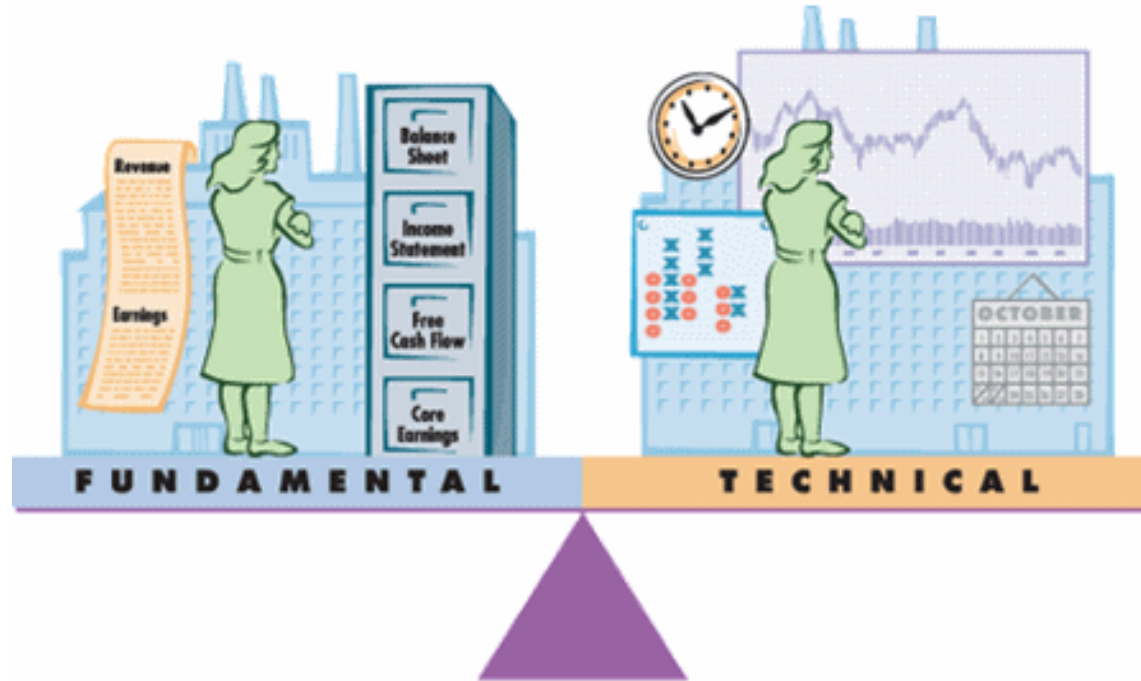
Combining Fundamentals with Technical Analysis

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West Coast Cycles Club
May 2013

What You're About to Hear

- First Part
 - Why Fundamental Analysis
 - How to Combine with Technical Analysis
- Second Part
 - Stock Selection Guide (SSG)
 - Examples Using the SIG Software

Combining Fundamental with Technical Analysis



Fundamental Analysis evaluates a company's financial strength and potential for increasing profits

Technical analysis anticipates investor demand for the stock by looking for patterns in price movement and trading volume.

Using both: fundamental to find companies worth buying (or selling) and technical to pinpoint the right time to make investment decisions.

Features of Fundamental Analysis

- Fundamental Analysis (FA) looks for companies that will have long term success.
 - Data comes from Balance Sheet and Income Statements, and the multi-year history of these reports
- FA uses historical data and projects a company's
 - Stock valuation versus its intrinsic value
 - Business performance (sales growth, earnings growth)
 - Management performance (Profits on Sales, EPS/Book Value, Debt/Equity)
 - Risk / reward (upside / downside analysis)
 - Projected yield and annual returns

Features of Technical Analysis

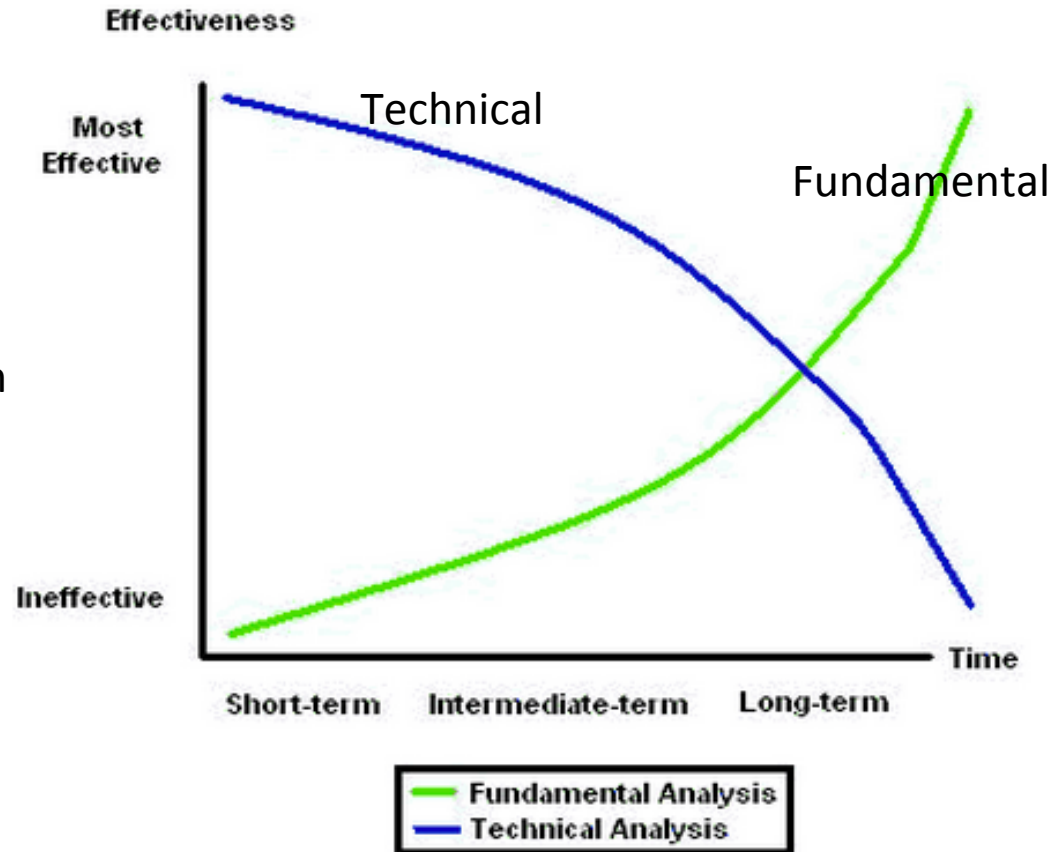
- Technical Analysis (TA) evaluates securities by analyzing market price and volume history.
 - TA uses charts and other tools to identify patterns that suggest future price activity.
 - TA assumes all Fundamental information is included in the market price of the stock
 - A key advantage of technical analysis is that it applies to all markets so you don't need to an expert in any one market
- TA provides timely information
 - It depends on market data that can change completely if key levels of support or resistance are breached, while fundamentals can persist for quite a long time.

TA and FA Effectiveness*

TA is most effective in the short-term and less effective in the long-term.

FA is most effective in the long-term and less effective in the short-term.

The ability to perform both analyses gives investors and traders flexibility throughout each timeframe.



* Phillip Davis, Technical vs Fundamental Analysis, SeekingAlpha.com, Feb 2010

Using the Best of Both

- **Use Fundamental Analysis to**
 - Select stocks based on Quality of Its Projected Growth and Management (of Company's Financial Performance)
 - Assess whether a stock is overvalued / undervalued relative to its intrinsic value
- **Use Technical Analysis to**
 - Time the entry of stocks passing the FA filter
 - Manage the investment as market and stock prices change
 - Time the exit of the investment

How I'm Using the Best of Both

- Add SSG data fields to AmiBroker for Stock Screening and Ranking
 - 5 yr Projections of:
 - Up/Down Ratio, Projected High and Low Price
 - Total Return %
 - EPS Growth %
- Display on Charts - Projected High and Low Price

Part 2

- Stock Selection Guide (SSG)
- Examples Using the SIG Software

Using the Stock Selection Guide (SSG)

- To Adequately Apply FA to separate “good” stocks from “bad”, one needs data from 5-10 years of company reports.
 - Not worth the work to do this manually
- The **SSG** was developed by the National Association of Investors Corporation (NAIC)
 - As a Standard Method of evaluating stocks for this purpose
 - And Now the Computer will help with the tedious work of collecting the data and completing the form.

What is the SSG?

- A two sided paper form:
 - To aid individual investors in the fundamental analysis and selection of stocks.
 - To identify the characteristics of a growth stock, and plot potential future growth from the historical trends.
 - To help determine a reasonable value for the stock, suggesting purchase when the stock is temporarily on the cheap side of a value assessment.

STOCK RESEARCH FORM

0.0 CURRENT INFORMATION			
DATE:	COMPANY:	TICKER:	
PRICE:	P/E:	QUARTER/FY:	DIV YIELD:

1.0 SALES GROWTH

1.1 HISTORICAL SALES GROWTH (FROM SSG AND OTHER SOURCES)

History	MRQ	1-year	3-yr	5-yr	10-yr	Other: _____
Historical sales						

1.2 HISTORICAL TRENDS AND GROWTH STRATEGY

Other Trends (Life cycle growth observations; Recessionary growth observations)

Growth Strategy (references: Annual Report/MD&A comments; Analysts evaluation of growth strategies (S&P Business Summary); Morningstar summary of bulls & bears analysis)

Your evaluation of sales growth trend is ...
Select one: (mixed, increasing, stable, or declining)

Summary:

1.3 PROJECTED SALES GROWTH (FROM RESEARCH REPORTS)

	Curr Qtr	Next Qtr	Curr Year	Next Year	3-5 Year
Sales forecasts (research)					

1.4 COMMENTS ABOUT FUTURE SALES GROWTH

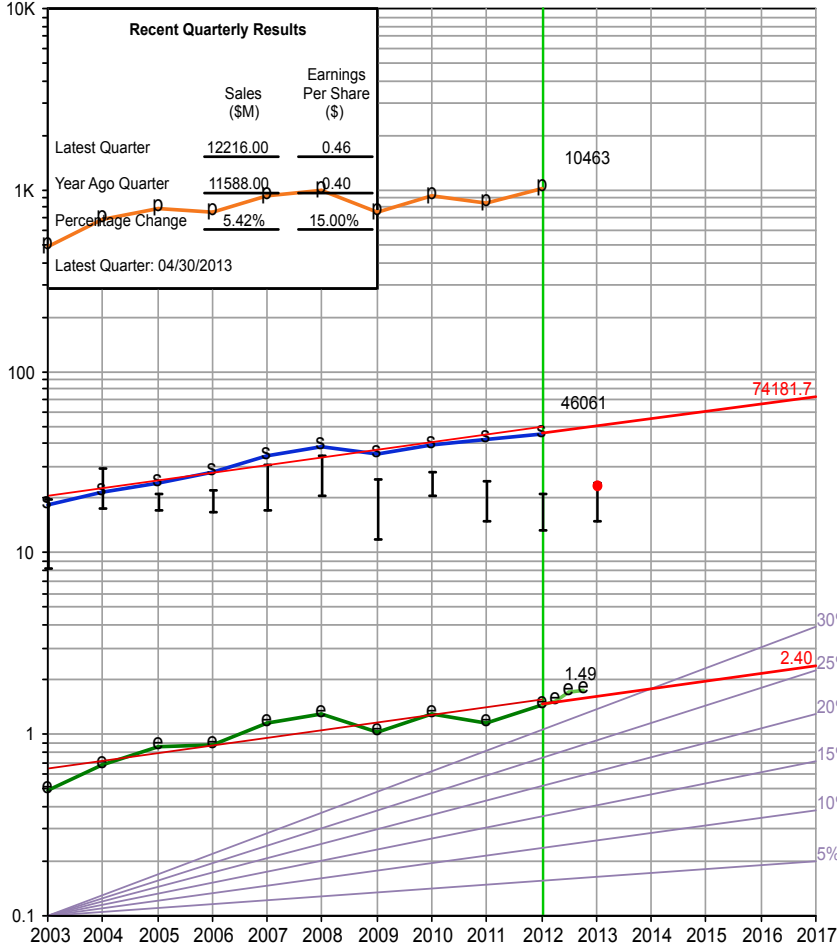
Future Sales Growth (Geographic and Product-line growth vs. market share; Analysts' comments regarding future growth potential and rates)

Better Investing Form
Page 1 of 4 Used by
Clubs to Collect &
Share SSG Data

Stock Prices

Current Price = \$23.95 52 Week Range = \$14.96 to \$24.25
Exchange: NASDAQ
Industry: Communication Equipment

Share Data	Authorized	Issued	Debt (\$M): 16248.00 % Total Cap.: 22.24%
Preferred:			
Common:	5387.000	5329.000	
Preferred Stock Dividend:			Dilution: 58.000



- (1) Historical Sales Growth = 10.16%
 - (2) Estimated Sales Growth = 10.00%
 - (3) Historical EPS Growth = 10.29%
 - (4) Estimated EPS Growth = 10.00%
- ACE 5-year EPS Growth Estimate: 9.9%

2 EVALUATING MANAGEMENT

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	26.6	31.7	32.5	27.1	27.3	25.9	21.5	23.5	20.0	22.7	22.7	FLAT
% Earned on Invested Capital (EPS/Book Val)	12.5	18.3	24.0	22.6	22.6	22.5	15.7	17.2	13.6	15.4	16.9	DOWN
% Debt to Equity	0.0	0.0	0.0	26.1	20.5	18.3	26.4	27.4	34.2	31.4	27.5	UP

3 PRICE & EARNINGS HISTORY

Current Price: 23.95 52 Week High= 24.25 52 Week Low= 14.96

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield
2008	34.2	20.6	1.31	26.1	15.7	0.000	0.0	0.0
2009	25.2	11.8	1.05	24.0	11.2	0.000	0.0	0.0
2010	27.7	20.7	1.33	20.9	15.5	0.000	0.0	0.0
2011	24.9	14.8	1.17	21.3	12.6	0.120	10.3	0.8
2012	21.3	13.3	1.49	14.3	8.9	0.280	18.8	2.1
TOTAL	133.4	81.1						
AVE	26.7	16.2		21.3	12.8		14.5	
Average Price Earnings Ratio: 17.1					Current Price Earnings Ratio: 13.3			

Current PE Ratio Based on Current EPS [\$1.80]
Projected PE Ratio of [12.1] Based on Projected EPS [\$2.0]

4 EVALUATING BUY, HOLD, & SELL

A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 21.3 X Estimated High Earnings/Share 2.40 Projected High Price = \$ 51.1

B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 12.8 X Estimated Low Earnings/Share 1.49 = \$ 19.07
 (b) Avg. Low Price of Last 5 Years = \$16.2 (e) Price Variant = \$14.7
 (c) Recent Market Low = \$13.3
 (d) Dividend Price Support = \$13.3

Selected Estimated Low Price \$ 13.3

C. BUY/HOLD/SELL ZONES

Selected High of \$51.10 minus Selected Low of \$13.30 = \$37.80 Range. 1/4 of Range = \$9.450

Lower 1/4 = \$13.3 To \$22.75 (Buy)
 Center 1/2 = \$22.75 To \$41.65 (Hold)
 Upper 1/4 = \$41.65 To \$51.1 (Sell)

25%/50%/25% Zoning

D. UPSIDE RISK ANALYSIS

High Price 51.1 - Current Price 23.95 = **2.5** to 1 **Current price of \$23.95 is in the HOLD zone**
 Current Price 23.95 - Low Price 13.3

PEG Ratio = 1.33 Relative Value = 77.8%
Proj PEG = 1.21 Proj Rel Value = 70.7%

5 YIELD ANALYSIS

Current Yield = (100 * Current Dividend) ÷ Current Price = 100 * 0.68 / 23.9 = 2.8%
 Ave. 5 Yr. Yield = (Ave. EPS(5Yr) * Ave. Payout) ÷ Current Price = (1.98 * 14.5) / 23.9 = 1.2%

Price Appreciation = ((100*Projected High Price ÷ Current Price) - 100) ÷ 5 = 22.7% P.A.R. Tot. Ret.
 Average Total Return = Price Appreciation + Ave. 5 Yr. Yield = 23.9% Average Yield 0.9% 0.7%
 Annual Appreciation 11.3% 16.4%
 Compounded Annual Return 12.2% 17.0%

SSG – Some Learning Required

- It takes an understanding this analysis approach so you will not misinterpret the results provide by SSG.
- **Tutorials Available**
 - Some Tutorial Information is built into the software tools.
 - A Detailed web-based tutorial is provided by www.douglasgerlach.com/ssg/
- The NAIC has regional volunteers the periodically hold Stock Selection Guide classes that you can join for a nominal fee. See <http://betterinvesting.org>

SIG Automates the SSG Process

- The **Stock Investment Guide (SIG)** is a software tool from Churr.com
 - The software automates 90% of preparing the **SSG** by
 - Loading the Data
 - Applying Formulas to Calculate key indicators
 - Help / Guide you in Making key Estimates
 - The **SIG** is not a “black box” for investment advice.
 - Your judgment is used to select "reasonable" values.
 - The suitability of any investment must be determined by you.

Step 1 – Loading Data

- The Software uses “.ssg” formatted data that is available from multiple sources (for a fee)
 - Better Investing
 - StockCentral
 - AAll Stock Investor Pro
- The Company Data page will appear.
 - Review the raw data.

Today's Date 05/21/2013 Preparer BobK

Company Cisco Systems

Sector Technology Industry Communication Equipment

Description Cisco Systems, Inc. designs, manufactures, and sells Internet protocol (IP)-based networking and other products related to the communications and information technology (IT) industry and provide services associated with these products and their use. It provides a line of products for transporting data, voice, and video within buildings, across campuses, and around the world. Its products are designed to transform how people connect, communicate, and collaborate. It has five segments: United States and Canada, European Markets, Emerging Markets, Asia Pacific, and Japan.

Data Source Stock Central Exchange NASDAQ

Source Date 05/20/2013 Tot. Cap 73046.00
 Debt (\$M) 16248.00 % Tot. Cap 22.24
 % Inside Ownership 0.178 Inst. Ownership 3,812.9 shares M

Symbol CSCO Fetch SSG
 Current Price 23.95 Date SIC Code 7373
 52 Week High 24.25 Low 14.96 Beta 1.41

Notes

Shares
 Authorized Issued Diluted
 Preferred
 Common 5387.000 5329.000 58.000
 Preferred Stock Div

Institutional Ownership = 0.1%
 Earnings Announcement: 14-Aug-13

QUARTERLY DATA

	QTR	Sales	Earnings	Dividend
Last Fiscal Year Ends: 7/31/2012	3rd Qtr 2012	11588.00	0.40	0.080
Latest Quarter Ends: 04/30/2013	4th Qtr 2012	11690.00	0.36	0.080
Current Dividend: 0.680	1st Qtr 2013	11876.00	0.39	0.140
Annual Dividend	2nd Qtr 2013	12098.00	0.59	0.140
ACE Growth Rate: 9.9	3rd Qtr 2013	12216.00	0.46	0.170

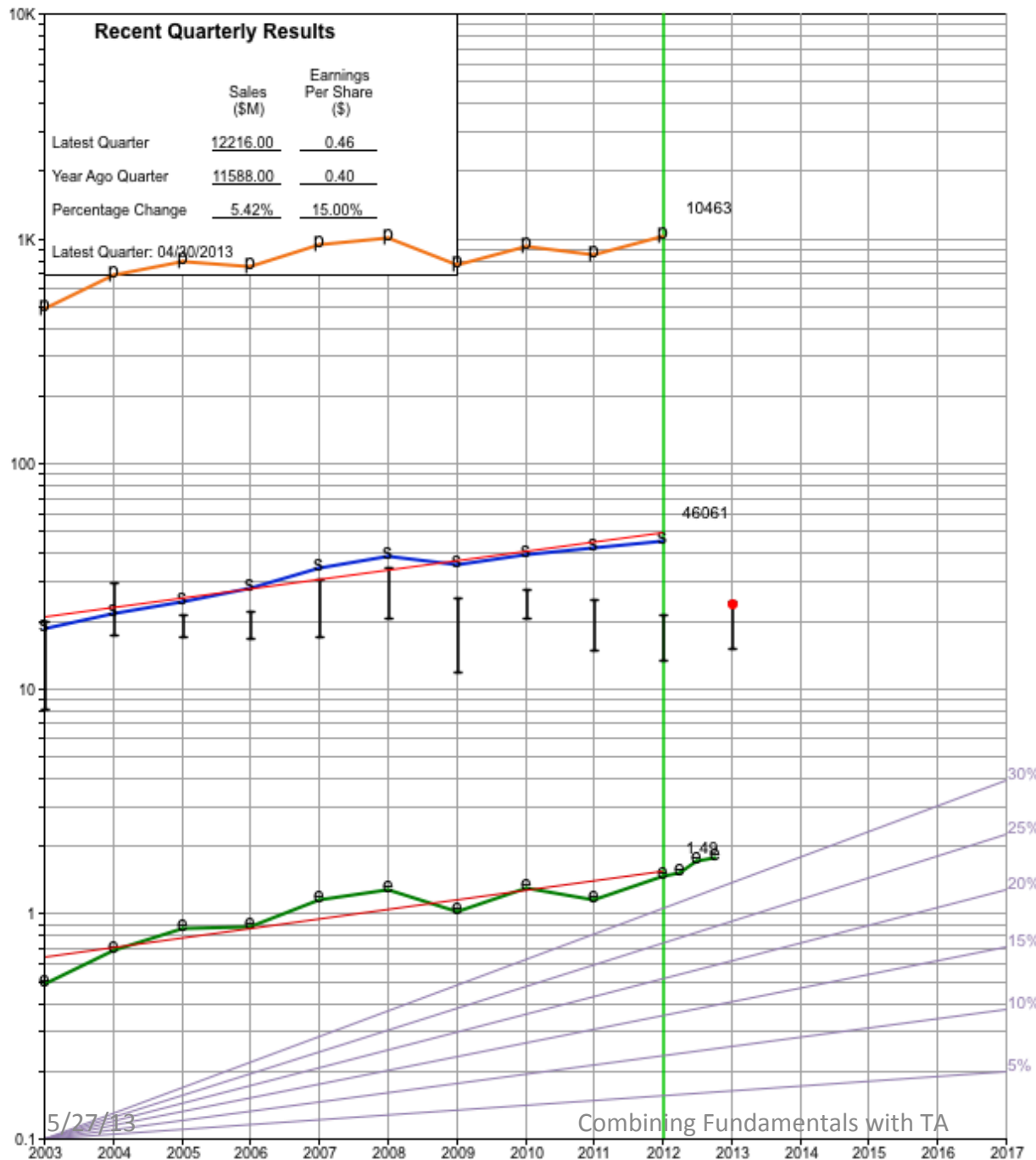
ANNUAL DATA

Year	High Price	Low Price	E/S	Div	Bk Val	Sales	Net Profit	% Tax	CashFlow/sh
2003	19.810	8.120	0.50	0.000	3.99	18878.000	3611.500	28.015	0.626
2004	29.390	17.420	0.70	0.000	3.82	22045.000	4939.900	29.380	0.922
2005	21.240	17.010	0.87	0.000	3.63	24801.000	5752.440	28.648	1.040
2006	22.000	16.830	0.89	0.000	3.94	28484.000	5582.080	27.731	1.136
2007	30.390	17.100	1.17	0.000	5.17	34922.000	7330.050	23.181	1.413
2008	34.240	20.560	1.31	0.000	5.83	39540.000	8073.530	21.295	1.756
2009	25.250	11.780	1.05	0.000	6.68	36117.000	6149.850	20.708	1.518
2010	27.740	20.680	1.33	0.000	7.75	40040.000	7777.840	17.389	1.567
2011	24.870	14.780	1.17	0.120	8.59	43218.000	6508.710	24.528	1.601
2012	21.300	13.300	1.49	0.280	9.68	46061.000	8051.960	23.044	1.918



Step 2 Data Graphs

- Perform Visual Analysis of
 - Sales
 - Price
 - Pre-Tax Profits
 - Earning Per Share
- Look for Divergences (Bad)
- Identify any data points to omit from analysis



Legend

- e - EPS
- s - Sales
- p - Pretax Income

Growth Rates

- (1) Historical Sales Growth = 10.16%
- (2) Estimated Sales Growth
- Sales Growth R² = 0.92
- (3) Historical EPS Growth = 10.29%
- (4) Estimated EPS Growth
- EPS Growth R² = 0.79

ACE 5-year EPS Growth Estimate: 9.9%

Sustainable Growth = 12.5

[Preferred EPS Procedure Calculation](#)

Graph Adjustment

- + Graph Scale
- + Sales Scale
- + Pretax Scale
- + Cash Flow Scale

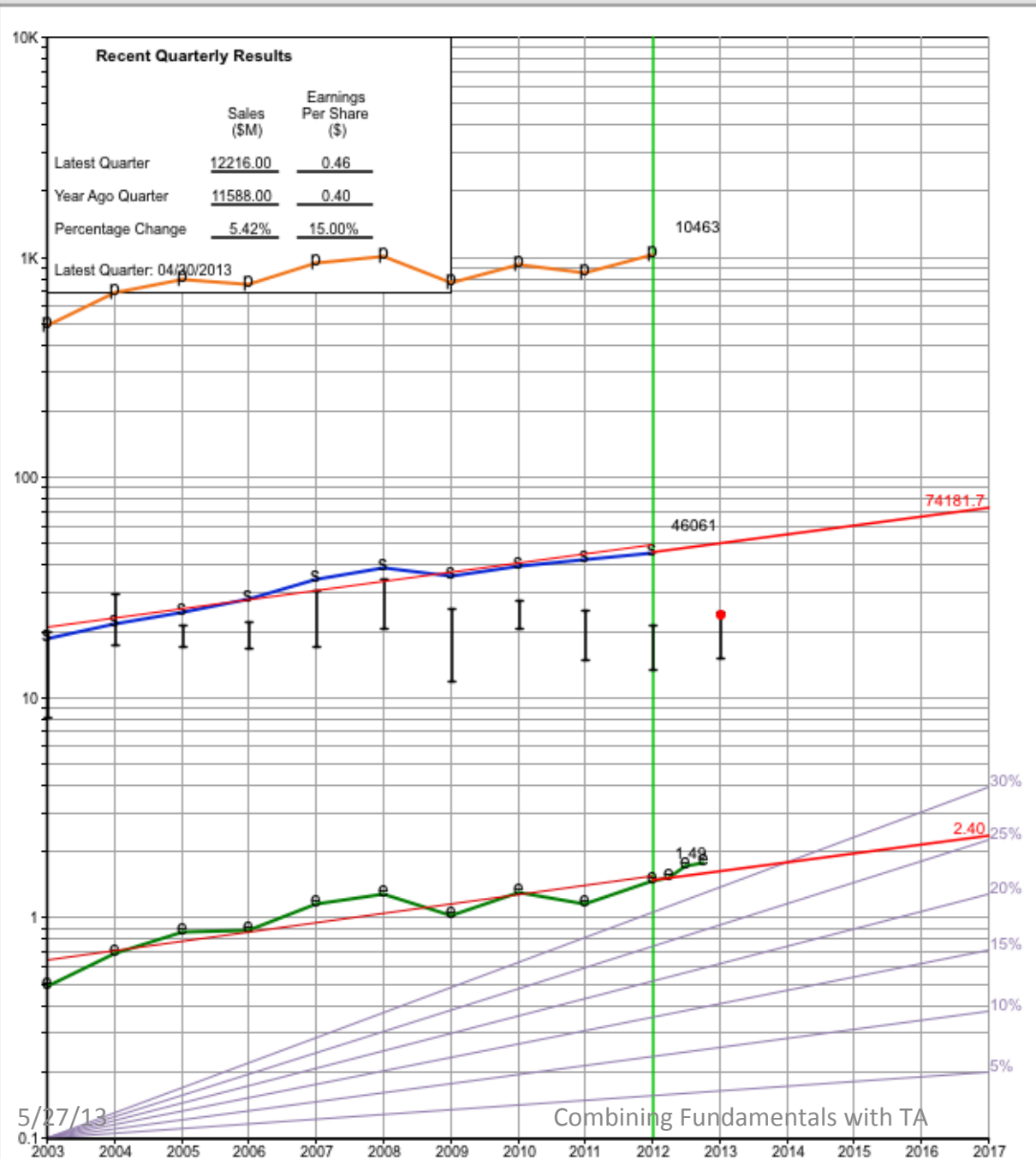
Graph Projection

- Last FY
- Last QTR
- Trend Line
- Last 4 QTR EPS

Step 3- Estimates

- Make Forecasts for Next 5 years
 - Estimate the Growth Rate By Looking at the Historical Average Growth Rates
 - Sales
 - Earnings
 - Enter Estimate to Extend the Trendlines for a Visual Check

Cisco Systems (CSCO)



Legend

- e - EPS
- s - Sales
- p - Pretax Income

Growth Rates

- (1) Historical Sales Growth = 10.16%
- (2) Estimated Sales Growth
- Sales Growth $R^2 = 0.92$
- (3) Historical EPS Growth = 10.29%
- (4) Estimated EPS Growth
- EPS Growth $R^2 = 0.79$

ACE 5-year EPS Growth Estimate: 9.9%

Sustainable Growth = 12.5

Preferred Method EPS = \$2.41

Preferred EPS Growth Rate = 10.05%

[Preferred EPS Procedure Calculation](#)

Graph Adjustment

- + Graph Scale
- + Sales Scale
- + Pretax Scale
- + Cash Flow Scale

Graph Projection

- Last FY
- Last QTR
- Trend Line
- Last 4 QTR EPS

Step 3 High & Low Prices

- Estimate 5 year High and Low Prices using aids provided.

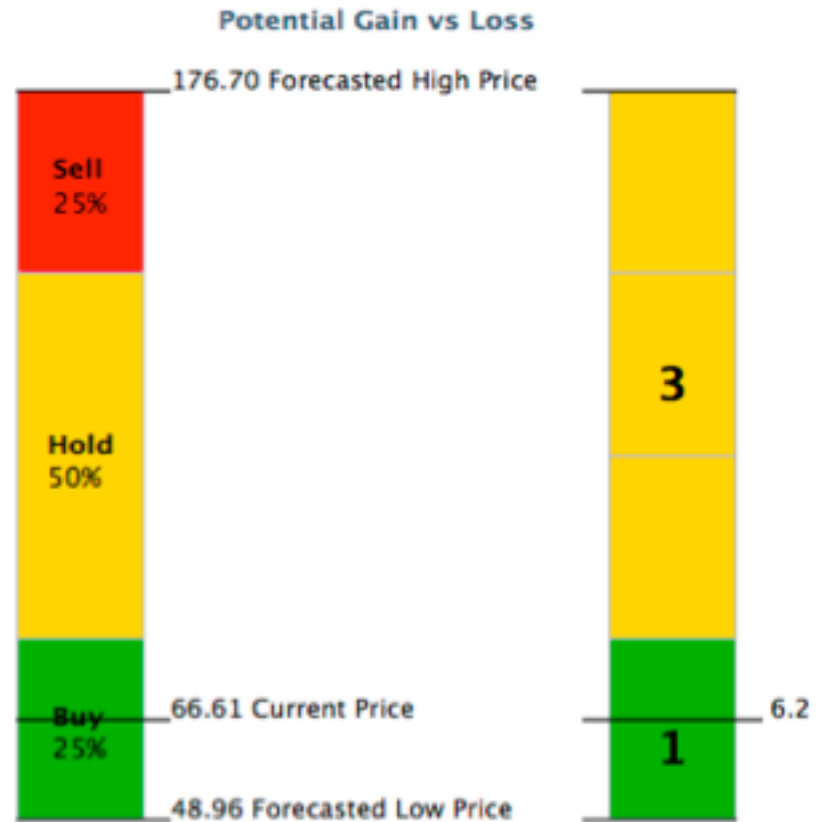
5 yr Hi = Ave High PE x
Estimated High EPS

5 yr Lo = Recent Low
or Ave Low PE x Est Low EPS
or Dividend Price Support

- Upside Risk Analysis

$$\frac{5\text{yrHi} - \text{Current}}{\text{Current} - 5\text{yrLow}} = \text{UpSide Risk Ratio}$$

Risk Ratio should be 2:1 or better



PERFORMANCE

% Pretax Profit
Return on Equity
% Debt to Equity

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 Yr Ave	Trend
% Pretax Profit	26.6	31.7	32.5	27.1	27.3	25.9	21.5	23.5	20.0	22.7	22.7	EVEN
Return on Equity	12.5	18.3	24.0	22.6	22.6	22.5	15.7	17.2	13.6	15.4	16.9	DOWN
% Debt to Equity	0.0	0.0	0.0	26.1	20.5	18.3	26.4	27.4	34.2	31.4	27.5	UP

PRICE & EARNINGS HISTORY

Present Price = 23.95

52 Week High= 24.25

52 Week Low= 14.96

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield	
2008	34.2	20.6	1.31	26.1	15.7	0.000	0.0	0.0	
2009	25.2	11.8	1.05	24.0	11.2	0.000	0.0	0.0	
2010	27.7	20.7	1.33	20.9	15.5	0.000	0.0	0.0	
2011	24.9	14.8	1.17	21.3	12.6	0.120	10.3	0.8	
2012	21.3	13.3	1.49	14.3	8.9	0.280	18.8	2.1	
TOTAL	133.4	81.1							
AVERAGE	26.7	16.2		21.3	12.8		14.5		
AVERAGE PRICE EARNINGS RATIO= 17.1				CURRENT PRICE EARNINGS RATIO= 13.3					

PEG Ratio = 1.33

Proj PEG = 1.21

Current PE Ratio Based on Current EPS [\$1.80]

Projected PE Ratio of [12.1] Based on Projected EPS [\$2.0]

EVALUATING BUY, HOLD, SELL

A. CALCULATED HIGH PRICE - 5 YEARS

Avg. High P/E x Estimated High Earnings/Share = Forecast High Price \$

B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E x Estimated Low Earnings/Share = \$

(b) Avg. Low Price of Last 5 Years =

(c) Recent Market Low =

(d) Dividend Price Support =

(e) Price Variant =

Selected Estimated Low Price \$

C. BUY/HOLD/SELL ZONES

Selected High of \$51.10 minus Selected Low of \$13.30 = \$37.80 Range. 1/4 of Range = \$9.450 25%/50%/25% Zoning
 Buy Zone= \$13.3 to \$22.8 Hold Zone= \$22.8 to \$41.6 Sell Zone= \$41.6 to \$51.1 Current price of \$23.95 is in the HOLD zone

D. UPSIDE RISK ANALYSIS

(Forecast High Price - Current Price) ÷ (Current Price - Estimated Low Price) = to 1

RETURN ANALYSIS

Relative Value = 77.8%

Proj Rel Value = 70.7%

Current Yield = (100 * Current Dividend) ÷ Current Price = 100 * 0.68 / 23.9 = 2.8%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) * Ave. Payout) ÷ Current Price = (1.98 * 14.5) / 23.9 = 1.2%

Price Appreciation = ((100 * Projected High Price ÷ Current Price) - 100) ÷ 5 = 22.7%

Average Total Return = Price Appreciation + Ave. 5 Yr. Yield = 23.9%

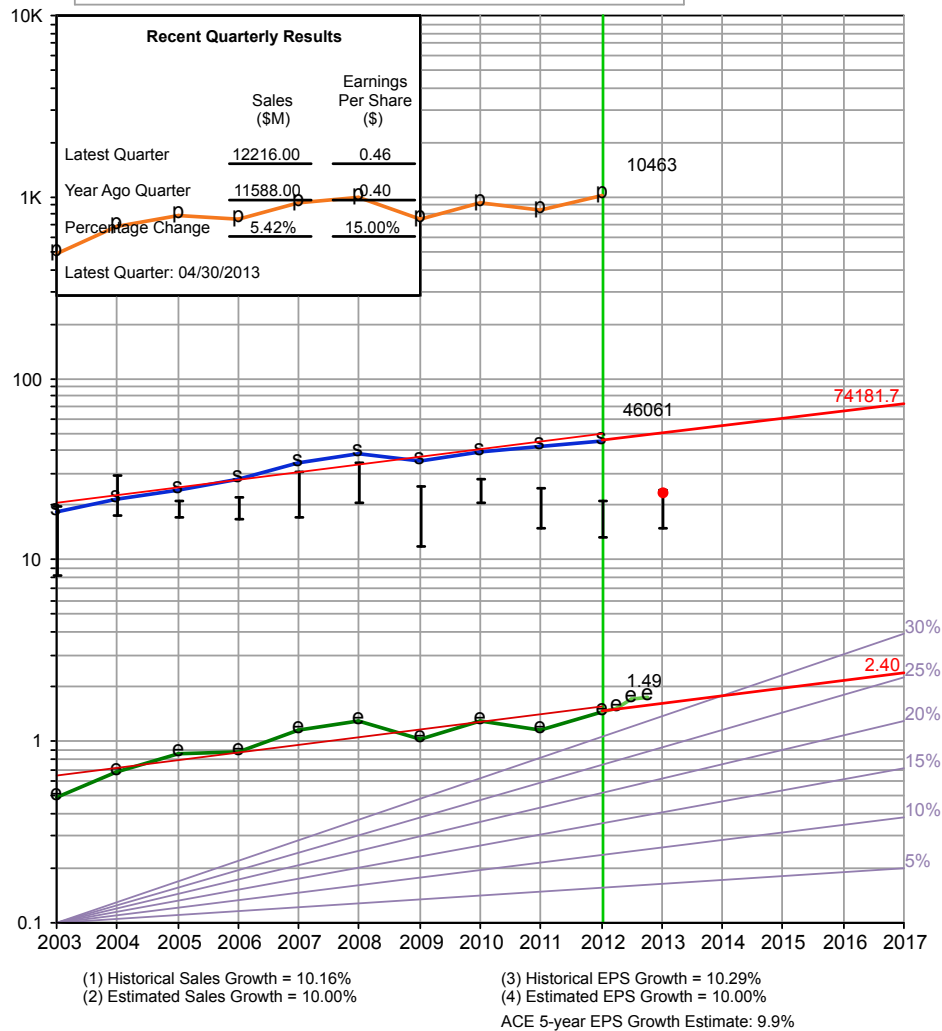
	P.A.R	Tot. Ret.
Average Yield	0.9%	0.7%
Annual Appreciation	11.3%	16.4%
Compounded Annual Return	12.2%	17.0%

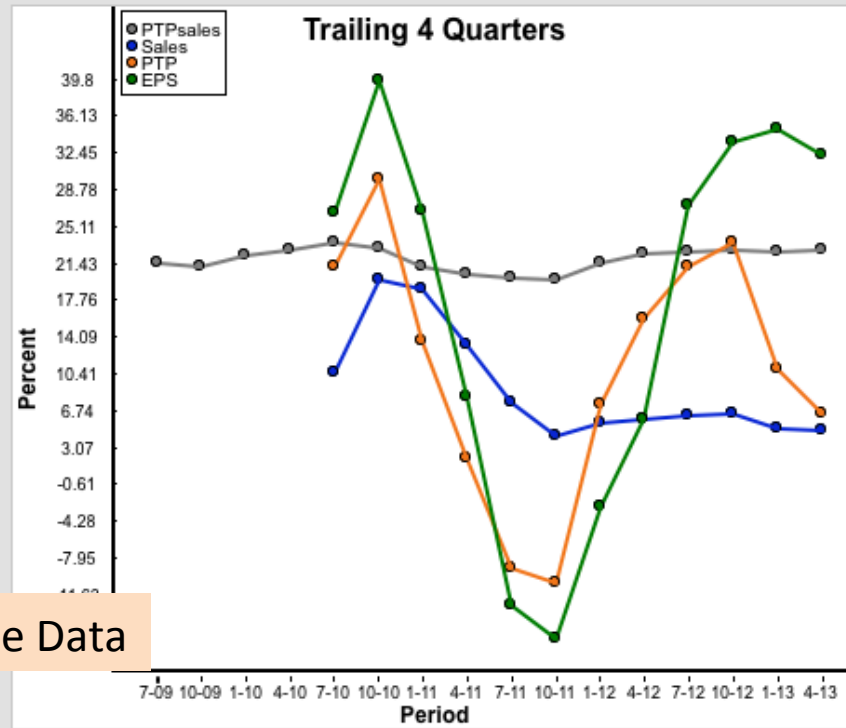
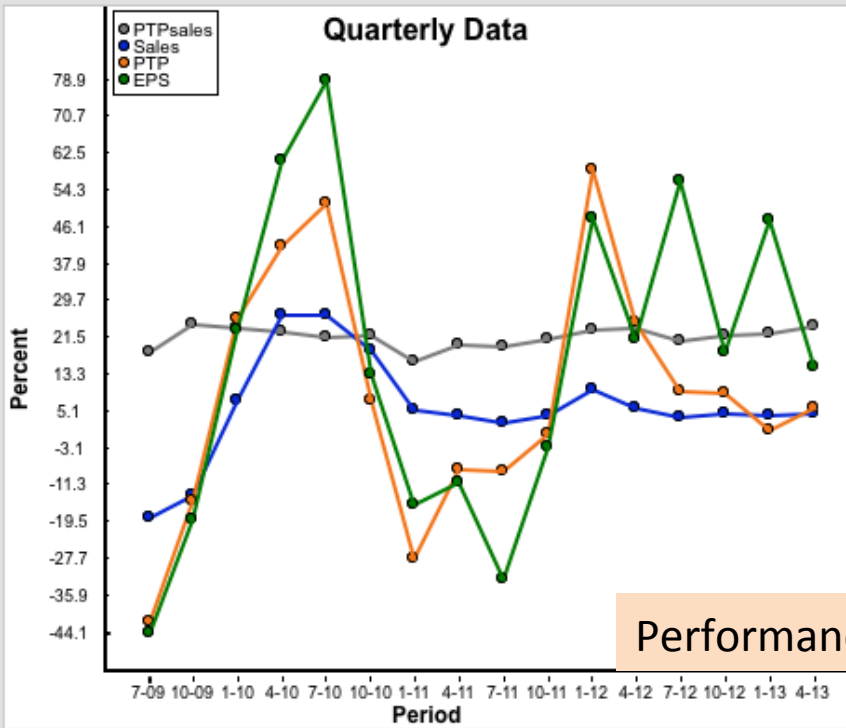
Stock Prices

Current Price = \$23.95 52 Week Range = \$14.96 to \$24.25
 Exchange: NASDAQ
 Industry: Communication Equipment

Share Data	Authorized	Issued	Debt (\$M): 16248.00
Preferred:			% Total Cap.: 22.24%
Common:	5387.000	5329.000	
Preferred Stock Dividend:		Dilution: 58.000	

Front Page of SSR Report





Performance Data

Quarterly

Period	SALES		PRETAX PROFIT			EARNINGS	
	\$mil	% Chg	\$mil	% Sales	% Chg	\$	% Chg
4-13	12216.0	5.4%	2978.0	24.4%	6.4%	0.46	15.0%
1-13	12098.0	5.0%	2793.0	23.1%	1.5%	0.59	47.5%
10-12	11876.0	5.5%	2690.0	22.7%	9.9%	0.39	18.2%
7-12	11690.0	4.4%	2465.0	21.1%	10.3%	0.36	56.5%
4-12	11588.0	6.6%	2799.0	24.2%	25.3%	0.40	21.2%
1-12	11527.0	10.8%	2752.0	23.9%	59.1%	0.40	48.1%
10-11	11256.0	4.7%	2447.0	21.7%	0.9%	0.33	-2.9%
7-11	11195.0	3.3%	2235.0	20.0%	-7.6%	0.23	-32.4%
4-11	10866.0	4.8%	2234.0	20.6%	-7.0%	0.33	-10.8%
1-11	10407.0	6.0%	1730.0	16.6%	-26.5%	0.27	-15.6%
10-10	10750.0	19.2%	2425.0	22.6%	8.3%	0.34	13.3%
7-10	10836.0	27.0%	2418.0	22.3%	51.8%	0.34	78.9%
4-10	10368.0	27.0%	2403.0	23.2%	42.4%	0.37	60.9%
1-10	9815.0	8.0%	2355.0	24.0%	26.1%	0.32	23.1%
5/20/09	9021.0	-12.7%	2239.0	24.8%	-14.1%	0.30	-8.0%
7-09	8535.0	-17.6%	1593.0	18.7%	-40.7%	0.19	-44.1%

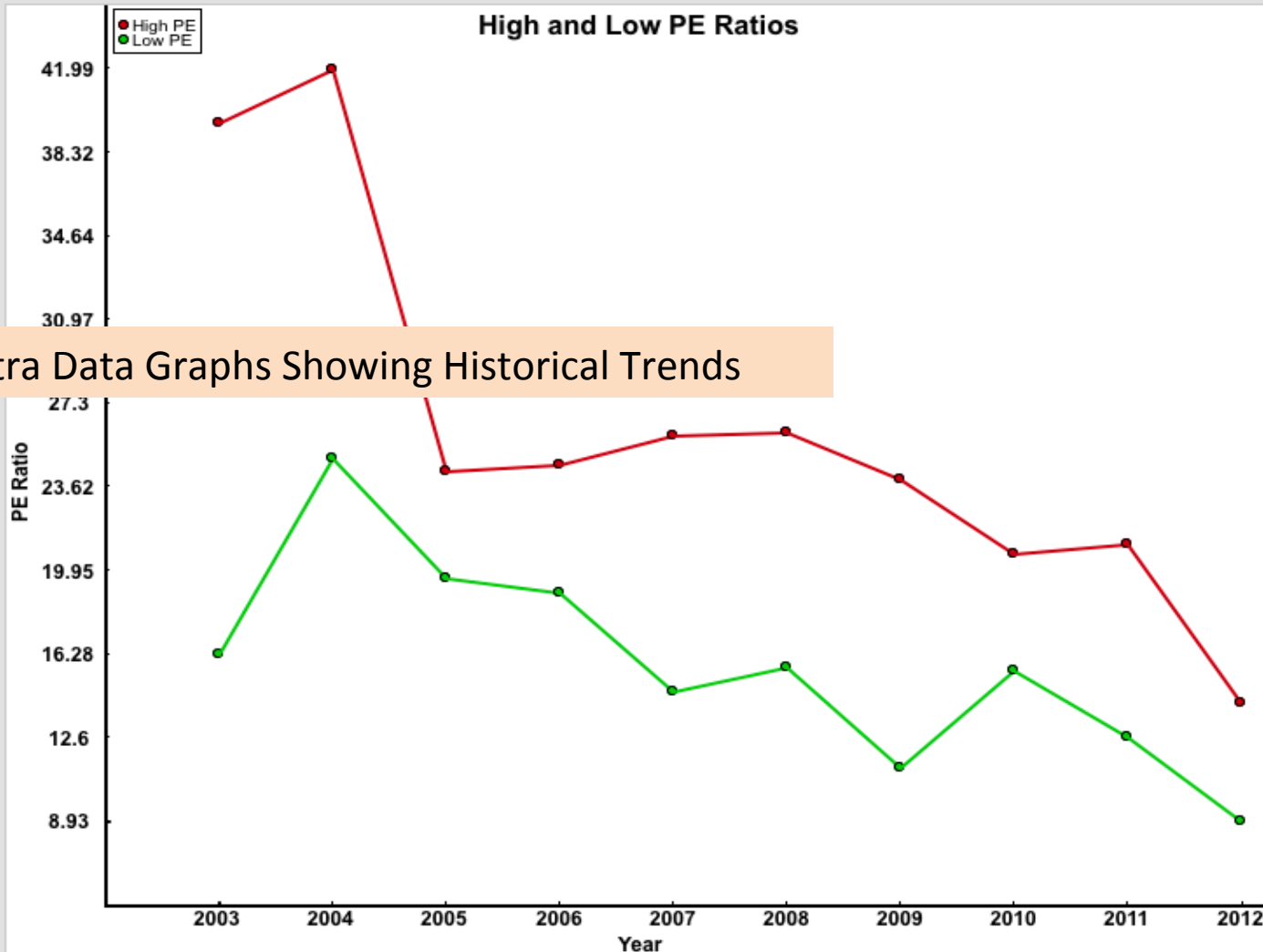
Trailing Four Quarters

Period	SALES		PRETAX PROFIT		EPS	Percent Change		
	\$mil	\$mil	% Sales	% Chg	\$	Sales	PTP	EPS
4-13	47880.0	10926.0	22.8%	6.8%	1.80	5.1%	6.8%	32.4%
1-13	47252.0	10747.0	22.7%	11.2%	1.74	5.4%	11.2%	34.9%
10-12	46681.0	10706.0	22.9%	6.8%	1.55	6.8%	23.8%	33.6%
7-12	46061.0	10463.0	22.7%	6.6%	1.49	6.6%	21.3%	27.4%
4-12	45566.0	10233.0	22.5%	6.3%	1.36	6.3%	16.2%	6.2%
1-12	44844.0	9668.0	21.6%	5.9%	1.29	5.9%	7.7%	-2.3%
10-11	43724.0	8646.0	19.8%	4.7%	1.16	4.7%	-9.9%	-15.3%
7-11	43218.0	8624.0	20.0%	7.9%	1.17	7.9%	-8.4%	-12.0%
4-11	42859.0	8807.0	20.5%	13.6%	1.28	13.6%	2.5%	8.5%
1-11	42361.0	8976.0	21.2%	42361.0	1.32	19.2%	14.0%	26.9%
10-10	41769.0	9601.0	23.0%	41769.0	1.37	20.0%	30.0%	39.8%
7-10	40040.0	9415.0	23.5%	40040.0	1.33	10.9%	21.4%	26.7%
4-10	37739.0	8590.0	22.8%		1.18			
1-10	35533.0	7874.0	22.2%		1.04			
5/20/09	34807.0	7387.0	21.2%		0.98			
7-09	36117.0	7756.0	21.5%		1.05			

Graphs

Return on Equity
 % Pretax Profit
 Long-Term Debt
 % Debt to Equity

High & Low PE



Extra Data Graphs Showing Historical Trends

Graph	Color
High PE Ratio	Red
Low PE Ratio	Green

High PE Ratios & Low PE Ratios

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 Year Average
Cisco Systems	39.62	41.99	24.41	24.72	25.97	26.14	24.05	20.86	21.26	14.30	High PE
	16.24	24.89	19.55	18.91	14.62	15.69	11.22	15.55	12.63	8.93	Low PE

Using the SSG for Stock Selection

- The completed SSG is added into a library and Comparison tool is used to make side-by-side comparisons of the company's fundamental data.
- The Library list key items useful for comparison & selection:
 - **Upside ratio, 5 yr Return%, 5 yr EPS Growth%, Adjusted Cash Earnings%, Yield%**

Library of SSG's

Checkbox	Ticker	Name	SIG Date	Price	Quote Date	Up/Do...	Proj. Rtn	SIG EPS %	ACE %	Yield
<input type="checkbox"/>	A	Agilent Technologies	05/24/2013	45.59	05/24/2013	0.0			12.5%	1.1%
<input type="checkbox"/>	AAPL	Apple	05/24/2013	445.15	05/24/2013	5.6	34.2	10.3%	15.1%	2.7%
<input checked="" type="checkbox"/>	ABT	Abbott Laboratories	05/24/2013	37.76	05/24/2013	0.8	12.8	9.0%	10.8%	1.5%
<input type="checkbox"/>	ACN	Accenture	05/24/2013	82.22	05/24/2013				10.7%	2.0%
<input type="checkbox"/>	AMGN	Amgen	05/24/2013	105.91	05/24/2013	0.5	6.6	10.0%	10.2%	1.8%
<input type="checkbox"/>	AMZN	Amazon.com	05/24/2013	261.74	05/24/2013	-1.0	-16.9	0.4%	26.0%	
<input type="checkbox"/>	AXP	American Express	05/24/2013	75.27	05/24/2013	-0.2	-0.3	-0.8%	10.4%	1.2%
<input type="checkbox"/>	BA	Boeing	05/24/2013	100.00	05/24/2013	1.8	16.3	12.0%	10.5%	1.9%
<input type="checkbox"/>	BAX	Baxter International	05/24/2013	71.51	05/24/2013				8.7%	2.7%
<input type="checkbox"/>	BEN	Franklin Resources	05/24/2013	162.94	05/24/2013				11.5%	0.7%
<input type="checkbox"/>	BIIB	Biogen Idec	05/24/2013	235.24	05/24/2013				15.7%	
<input type="checkbox"/>	BLK	BlackRock	05/24/2013	283.35	05/24/2013				11.0%	2.4%
<input checked="" type="checkbox"/>	BRLI	Bio-Reference Labs	05/24/2013	30.75	05/24/2013	3.2	24.6	20.0%	17.5%	
<input type="checkbox"/>	CELG	Celgene	05/24/2013	122.58	05/24/2013				21.9%	
<input type="checkbox"/>	COH	Coach	05/24/2013	57.76	05/24/2013	3.6	27.8	20.0%	13.9%	2.3%
<input type="checkbox"/>	CSCO	Cisco Systems	05/24/2013	23.53	05/24/2013	2.7	18.0	10.0%	9.9%	2.9%
<input type="checkbox"/>	CVS	CVS Caremark	05/24/2013	59.20	05/24/2013	0.9	9.3	12.0%	11.8%	1.5%
<input type="checkbox"/>	DD	E.I du Pont de Nemours	05/24/2013	55.35	05/24/2013				7.0%	3.3%
<input type="checkbox"/>	DE	Deere	05/24/2013	86.29	05/24/2013				9.0%	2.4%
<input type="checkbox"/>	DHR	Danaher	05/24/2013	62.10	05/24/2013				13.8%	0.2%
<input type="checkbox"/>	EBAY	eBay	05/24/2013	54.64	05/24/2013	1.6	14.7	18.0%	13.8%	
<input checked="" type="checkbox"/>	GNTX	Gentex	05/24/2013	23.75	05/24/2013	2.7	18.9	4.0%	14.4%	2.4%
<input type="checkbox"/>	GOOG	Google	05/24/2013	873.32	05/24/2013	4.7	27.4	15.0%	16.0%	
<input type="checkbox"/>	HAL	Halliburton	05/24/2013	43.02	05/24/2013	2.8	19.5	12.0%	13.9%	1.2%
<input type="checkbox"/>	LLTC	Linear Technology	05/24/2013	37.05	05/24/2013	0.6	7.3	6.0%	10.8%	2.8%
<input type="checkbox"/>	MA	MasterCard	05/24/2013	571.46	05/24/2013				16.7%	0.4%
<input type="checkbox"/>	MCD	McDonald's	05/24/2013	100.29	05/24/2013	0.4	5.4	3.6%	9.2%	3.1%
<input checked="" type="checkbox"/>	MDT	Medtronic	05/24/2013	51.33	05/24/2013	2.3	16.6	8.0%	6.8%	2.0%
<input type="checkbox"/>	MELI	Mercadolibre	05/24/2013	117.12	05/24/2013	4.4	33.1	20.0%	28.3%	0.5%
<input type="checkbox"/>	MMM	3M Co	05/24/2013	110.27	05/24/2013				10.6%	2.3%
<input type="checkbox"/>	MON	Monsanto Company	05/24/2013	104.83	05/24/2013				11.2%	1.4%
<input type="checkbox"/>	MRK	Merck	05/24/2013	47.16	05/24/2013	-2.7			2.8%	3.6%
<input type="checkbox"/>	MSFT	Microsoft	05/24/2013	34.269	05/24/2013	1.6	11.7	11.0%	9.9%	2.7%
<input type="checkbox"/>	MWIV	MWI Veterinary Supply	05/24/2013	117.99	05/24/2013	2.4	21.9	25.0%	15.2%	

Comparison Window

	ABT	BRLI	GNTX	MDT
Comparison of Growth				
(1) Historical Sales Growth %	9.16	22.38	9.19	8.71
(2) Projected Sales Growth %	9.00	20.00	9.00	8.00
(3) Historical EPS Growth %	9.52	22.17	4.76	9.48
(4) Projected EPS Growth %	9.00	20.00	4.00	8.00
Management Comparisons				
(5) Average 5 Yr Pretax Profit Margin	18.55	12.10	24.68	31.47
(6) % Earned on Invested Capital	22.65	17.46	12.82	19.00
(7) % of Common Owned by Management				
Price Comparisons				
(8) Total 5 Year EPS Estimate	18.65	7.60	5.86	16.14
(9) Price Range Over Last 5 Years	\$19.79 – \$34.67	\$9.18 – \$32.86	\$6.50 – \$35.35	\$24.06 – \$57.99
(10) Present Price	\$36.59	\$30.04	\$25.21	\$49.84
5 Year Price Earnings Ratio				
(11) Highest	9.65	31.96	44.25	29.74
(12) Average High	8.90	24.60	34.40	21.00
(13) Average	7.85	18.95	25.00	17.15
(14) Average Low	6.80	13.30	15.60	13.30
(15) Lowest	5.36	7.56	12.29	9.37
(16) Current PE Ratio	10.20	16.20	20.70	14.10
(17) Buy Zone	\$21.30 – \$30.93	\$11.40 – \$38.43	\$14.40 – \$25.87	\$30.20 – \$53.23
(18) Hold Zone	\$30.93 – \$40.57	\$38.43 – \$65.47	\$25.87 – \$37.33	\$53.23 – \$76.27
(19) Sell Zone	\$40.57 – \$50.20	\$65.47 – \$92.50	\$37.33 – \$48.80	\$76.27 – \$99.30
(20) Current Price Range	HOLD	BUY	BUY	BUY
(21) Up/Downside Ratio	0.9	3.4	2.2	2.5
(22) Current Yield	1.53%	0.00%	2.22%	2.09%
(23) Expected Total Return	12.4%	25.2%	16.0%	16.3%

About the NAIC

NAIC Developed the Stock Selection Guide and Uses Four principles for successful, long-term investing:

- 1) invest regularly, regardless of market conditions
- 2) re-invest all earnings
- 3) invest in growth companies (and growth mutual funds)
- 4) diversify to reduce risk.

The heart of the NAIC approach is investing in growth companies.

The Primary Tool to evaluate common stocks is a two-page form with a semi-log graph on the front called the Stock Selection Guide (SSG).

In 1990, NAIC adapted their process and concepts to analyze Mutual Funds.

NAIC publishes a magazine and website called ***Better Investing***

NAIC is now *Better Investing*

- NAIC is the umbrella organization for 13,000 Investment Clubs and 120,000 members.
 - Its membership has declined since it peaked at 400,000 in 1999.
 - Members have learned from NAIC, and don't need the Clubs forever, paying the dues, or solely focusing on stocks.
- NAIC / BetterInvesting costs \$84/year for individuals.
 - On Line Tools, Software to Purchase, Data Services, Education & Training
 - Options to Join Local Clubs, Participate in Webinars
 - Highly Recommended to Subscribe to Learn their methods.
- Alternatives That Use NAIC Methodology
 - IClub StockCentral: Software, Data Services, Education & Training - \$55/yr
 - Churr Software: MAC/PC SSG software (called SIG3). \$79 (one time)