

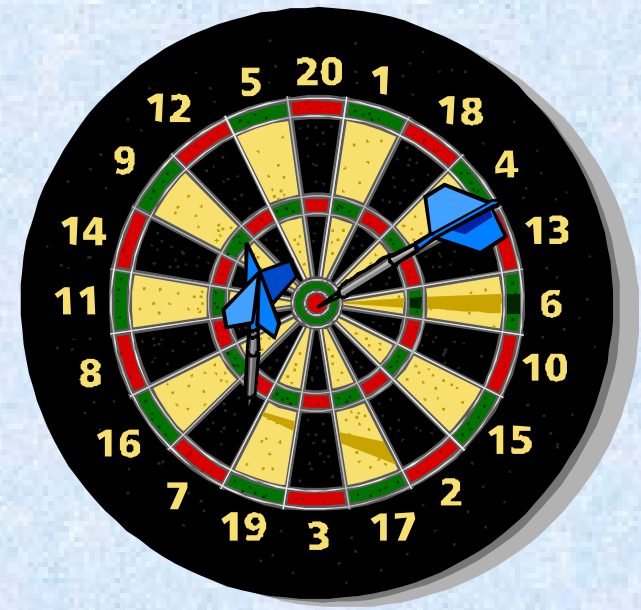
# Stock Selection Criteria

*Sy Sherman*

2012

# Where to Start?

- **The Beginning ...**
  - is a very good place to start
- **Start with What You Know**
  - Where Do You Shop?
    - Costco
    - Kohls
    - Nordstroms
    - Coach
    - Staples
    - Home Depot
    - Amazon
    - Walmart
  - What Restaurants Do You Most Frequent?
    - Paneras
    - Chipolte
    - Mcdonalds
    - Yum (KFC, Pizza Hut, Taco Bell)



# Other Stock Ideas

- **Things You Use Every Day?**
  - Phone (*Apple, Samsung, Google*)
  - Computer (*Dell, HP, Apple*)
  - Electricity (*Con Ed, Duke Power, Exelon*)
- **“Expert Sources”**
  - The Talking Heads
    - *CNBC*
    - *Bloomberg*
    - *Walls Street Week (back in the day)*



# The Written Word

- **Investment News Letter**
  - *The Motley Fool*
  - *Kiplinger*
- **Online Financial Information**
  - Financial Web Sites
    - *Morningstar*
    - *S&P*
    - *Fairfax County Library*
  - Online Tools (stock screeners, retirement estimators)
    - *Schwab*
    - *Fidelity*
    - *Morningstar*



# Stock Screening - Fundamentals

The screenshot displays a web-based stock screening interface. At the top, there are navigation tabs for 'Accounts', 'Trade', 'Research', and 'Products'. Below these are sub-tabs for 'Markets', 'Stocks', 'Options', and 'Mutual Funds'. The main section is titled 'Stocks' and includes a search bar with the placeholder 'Enter Name or Symbol(s)' and a 'Research' button. Below the search bar are tabs for 'Overview' and 'Schwab Stock Lists™'. There are also buttons for 'My Saved Screens' and 'New Screen'. The 'Predefined Screens' section is active, showing a 'Choose Criteria' menu with options: 'Basic Criteria', 'Analyst Ratings', 'Company Performance', 'Price Performance', 'Valuation', 'Financial Strength', and 'Technicals'. Two callout boxes provide detailed views of the selected criteria. The first callout, titled 'Valuation', lists: 'Price/Earnings (TTM)', 'Price/Earnings (MRFY)', 'Price/Earnings (FYF)', 'Price/Book (MRQ)', 'Price/Sales (TTM)', 'Price/Cash Flow (MRFY)', 'Price/Earnings/Growth (PEG) (TTM)', 'Dividend Payout Ratio (MRQ)', and '5 Year Dividend Growth Rate'. The second callout, titled 'Financial Strength', lists: 'Net Profit Margin (MRFY)', 'Debt to Equity (MRQ)', 'Return on Equity (MRFY)', 'Return on Assets (MRFY)', 'Quick Ratio (MRQ)', 'Current Ratio (MRQ)', and 'Cash Flow per Share (MRFY)'. Blue arrows point from the 'Valuation' and 'Financial Strength' options in the 'Choose Criteria' menu to their respective callout boxes.

**Valuation**

- Price/Earnings (TTM)
- Price/Earnings (MRFY)
- Price/Earnings (FYF)
- Price/Book (MRQ)
- Price/Sales (TTM)
- Price/Cash Flow (MRFY)
- Price/Earnings/Growth (PEG) (TTM)
- Dividend Payout Ratio (MRQ)
- 5 Year Dividend Growth Rate

**Financial Strength**

- Net Profit Margin (MRFY)
- Debt to Equity (MRQ)
- Return on Equity (MRFY)
- Return on Assets (MRFY)
- Quick Ratio (MRQ)
- Current Ratio (MRQ)
- Cash Flow per Share (MRFY)

# Third Party Stock Analysis

Predefined Screens	Currently Selected Criteria (Top Analyst Ratings)																																							
<ul style="list-style-type: none"> <li>▶ Schwab "A" Ratings</li> <li>▼ Top Analyst Ratings                             <p>Stocks currently rated Outperform or Buy by Schwab Equity Ratings and independent research providers.</p> </li> <li>▶ Near Price Highs</li> <li>▶ Growth at a Reasonable Price</li> <li>▶ Near Price Lows</li> <li>▶ Small Cap Growth</li> <li>▶ Large Cap Value</li> <li>▶ Small and Mid-Cap Value</li> <li>▶ The Russell Rebalancing</li> </ul>	<p>Criteria Name and Selections</p> <div style="border: 1px solid #ccc; padding: 5px;"> <input checked="" type="checkbox"/> <b>Schwab Equity Rating</b> <a href="#">Select All</a> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 20%;">F</td> <td style="width: 20%;">D</td> <td style="width: 20%;">C</td> <td style="width: 20%; background-color: #e0e0e0;">B</td> <td style="width: 20%; background-color: #e0e0e0;">A</td> <td style="width: 20%; text-align: right;">919 Matches</td> </tr> <tr> <td>Strongly Underperform</td> <td>Underperform</td> <td>Marketperform</td> <td>Outperform</td> <td>Strongly Outperform</td> <td></td> </tr> </table> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <input checked="" type="checkbox"/> <b>Credit Suisse Research</b> <a href="#">Select All</a> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 33%; background-color: #e0e0e0;">Underperform</td> <td style="width: 33%; background-color: #e0e0e0;">Neutral</td> <td style="width: 33%; background-color: #e0e0e0;">Outperform</td> <td style="width: 10%; text-align: right;">423 Matches</td> </tr> </table> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <input checked="" type="checkbox"/> <b>Ned Davis Research</b> <a href="#">Select All</a> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 33%; background-color: #e0e0e0;">Sell</td> <td style="width: 33%; background-color: #e0e0e0;">Neutral</td> <td style="width: 33%; background-color: #e0e0e0;">Buy</td> <td style="width: 10%; text-align: right;">132 Matches</td> </tr> </table> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <input checked="" type="checkbox"/> <b>S&amp;P Star Rating</b> <a href="#">Select All</a> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 20%; background-color: #e0e0e0;">★</td> <td style="width: 20%; background-color: #e0e0e0;">★★</td> <td style="width: 20%; background-color: #e0e0e0;">★★★</td> <td style="width: 20%; background-color: #e0e0e0;">★★★★</td> <td style="width: 20%; background-color: #e0e0e0;">★★★★★</td> <td style="width: 20%; text-align: right;">421 Matches</td> </tr> </table> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <input checked="" type="checkbox"/> <b>S&amp;P Earnings &amp; Div Ranking</b> <a href="#">Select All</a> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 12.5%; background-color: #e0e0e0;">D</td> <td style="width: 12.5%; background-color: #e0e0e0;">C</td> <td style="width: 12.5%; background-color: #e0e0e0;">B-</td> <td style="width: 12.5%; background-color: #e0e0e0;">B</td> <td style="width: 12.5%; background-color: #e0e0e0;">B+</td> <td style="width: 12.5%; background-color: #e0e0e0;">A-</td> <td style="width: 12.5%; background-color: #e0e0e0;">A</td> <td style="width: 12.5%; background-color: #e0e0e0;">A+</td> <td style="width: 10%; text-align: right;">312 Matches</td> </tr> </table> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> <input checked="" type="checkbox"/> <b>Argus 12 Month Rating</b> <a href="#">Select All</a> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 33%; background-color: #e0e0e0;">Sell</td> <td style="width: 33%; background-color: #e0e0e0;">Hold</td> <td style="width: 33%; background-color: #e0e0e0;">Buy</td> <td style="width: 10%; text-align: right;">210 Matches</td> </tr> </table> </div>	F	D	C	B	A	919 Matches	Strongly Underperform	Underperform	Marketperform	Outperform	Strongly Outperform		Underperform	Neutral	Outperform	423 Matches	Sell	Neutral	Buy	132 Matches	★	★★	★★★	★★★★	★★★★★	421 Matches	D	C	B-	B	B+	A-	A	A+	312 Matches	Sell	Hold	Buy	210 Matches
F	D	C	B	A	919 Matches																																			
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★	★★	★★★	★★★★	★★★★★	421 Matches																																			
D	C	B-	B	B+	A-	A	A+	312 Matches																																
Sell	Hold	Buy	210 Matches																																					

# Stock Profile - Starbucks

## Starbucks Corp **SBUX:NASDAQ**

Last Price **\$48.555** Today's Change **+0.075 (0.15%)** Bid/Size **\$48.55** Ask/Size **\$48.56** Today's Volume **3,243,147** Average

As of 2:57 pm ET 02/16/2012

[Next Steps](#) [Trade](#)

**Schwab Equity Rating®**  
data as of 02/10/2012\*

[Summary](#) [News](#) [Charts](#) [Ratings](#) [Fundamentals](#) [Statements](#) [Peers](#) [Reports](#) [Options & Preferreds](#)

**Second Quarter Earnings Announcement Expected:** The next earnings date is [expected](#) on 04/26/2012. With 27 analysts covering SBUX, the consensus EPS estimate is \$0.39, and the high and low estimates are \$0.43 and \$0.37, respectively.

**Company Performance** [Margin Requirements](#)

[Quote Details](#) [Sector Overview](#) [Total Return](#) [Historical Quote](#) [Key Fundamentals](#) [Company Profile](#)

1 Day 5 Days 3 Month 6 Month YTD 1 Year 3 Years 5 Years

**Starbucks Corp**  
as of 02/15/2012

Price Change **+9.56 (24.50%)**

Volume (Millions)

**Details**

Today's Open	\$48.36
Previous Close	\$48.48
Day's Range	\$48.33 - \$48.79
52 Week range	\$31.17 - \$49.36
Beta	1.21
Avg. Volume (10 Day)	3,975,792
Put/Call Ratio (1 Day)	1.3
Put/Call Ratio (30 Day)	1.2

**Shares**

Market Capitalization (Large Cap)	\$36.6B
Shares Outstanding	753.4M
Shares Held By Institutions	77%

Earnings TTM (GAAP)		Dividends	
Earnings per Share (01/26/2012)	<b>\$1.6642</b>	Quarterly Div. (Ann. Yield)	<b>\$0.17 (1.40%)</b>
Price/Earnings	<b>29.13</b>	Previous Ex-Date	<b>Feb 6, 2012</b>
Forward P/E	<b>26.25</b>	Next Pay Date	<b>Feb 24, 2012</b>

**Ratings Summary**

**Schwab Equity Rating**

Rating as of 02/10/2012

F  D  C  B  A

[Schwab Equity Ratings Report®](#)  
[SER Report User Guide](#)

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**Credit Suisse Research**

Rating as of 01/27/2012

Underperform  Neutral  Outperform

[Click here](#) for recent Credit Suisse equity research reports.

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**Ned Davis Research**

Rating since 09/12/2011

Sell  Neutral  Buy

[Ned Davis Research Report](#)  
 Latest report 02/12/2012  
[New: Equity Rating Model](#)

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**Argus 12 Month Rating**

Rating since 07/22/2009

Sell  Hold  Buy

[Argus Analyst Report](#)  
 Latest report 01/30/2012

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**Standard & Poor's Opinion**

Rating since 11/05/2010

★  ★★  ★★★  ★★★★  ★★★★★

[Standard & Poor's Stock Report](#)  
 Latest report 02/15/2012

# Argus Analysis - Starbucks

Starbucks is a leading retailer of fresh-brewed coffee and branded merchandise. Its brands include Starbucks, Tazo Tea and Frappuccino. With a market cap of approximately \$36 billion, SBUX shares are generally considered large-cap growth.

## Analyst's Notes

Analysis by John Staszak, CFA, January 30, 2012

**ARGUS RATING: BUY**

- Raises guidance following solid first quarter
- Starbucks posted fiscal 1Q12 operating earnings of \$0.50 per share, up from \$0.45 in the prior-year period. First-quarter earnings were below our estimate of \$0.53, but exceeded the consensus forecast of \$0.49.
- First-quarter revenue rose 16% year-over-year to a record \$3.4 billion, driven by 9% higher same-store sales in the U.S. Overall comps rose 9%, reflecting a 7% increase in traffic and a 2% increase in the average ticket.
- Management has tightened its FY12 EPS guidance range from \$1.75-\$1.82 to \$1.78-\$1.82, up three cents at the low end.
- Our target price of \$54 implies a multiple of 28.4-times our FY12 estimate and a potential return, including the dividend, of approximately 14% from current levels.

### INVESTMENT THESIS

We are reiterating our BUY rating and \$54 target price on Starbucks Corp. (NGS: SBUX). The company has made efforts to restore earnings by managing expenses, and implementing programs to increase traffic. Customer traffic improved further in 1Q12 and management expects the company's positive same-store sales to continue. We expect investors to bid up the stock as earnings continue to exceed expectations.

Starbucks benefits from unprecedented brand loyalty as well as from economies of

## Argus Recommendations

<b>Twelve Month Rating</b>	SELL	HOLD	<b>BUY</b>
<b>Five Year Rating</b>	SELL	HOLD	<b>BUY</b>
<b>Sector Rating</b>	Under Weight	<b>Market Weight</b>	Over Weight

Argus assigns a 12-month BUY, HOLD, or SELL rating to each stock under coverage.

- BUY-rated stocks are expected to outperform the market (the benchmark S&P 500 Index) on a risk-adjusted basis over the next year.
- HOLD-rated stocks are expected to perform in line with the market.
- SELL-rated stocks are expected to underperform the market on a risk-adjusted basis.

**The distribution of ratings across Argus' entire company universe is: 46% Buy, 49% Hold, 5% Sell.**

## Key Statistics

Key Statistics pricing data reflects previous trading day's closing price. Other applicable data are trailing 12-months unless otherwise specified

### Market Overview

Price	<b>\$47.85</b>
Target Price	<b>\$54.00</b>
52 Week Price Range	<b>\$31.17 to \$49.36</b>
Shares Outstanding	<b>745.40 Million</b>
Dividend	<b>\$0.68</b>



# S&P Analysis - Starbucks

Stock Report | February 15, 2012 | NNM Symbol: SBUX | SBUX is in the S&P 500



## Starbucks Corp

**S&P Recommendation** **HOLD** ★★☆☆☆

**Price**  
\$48.48 (as of Feb 15, 2012)

**12-Mo. Target Price**  
\$50.00

**Investment Style**  
Large-Cap Growth

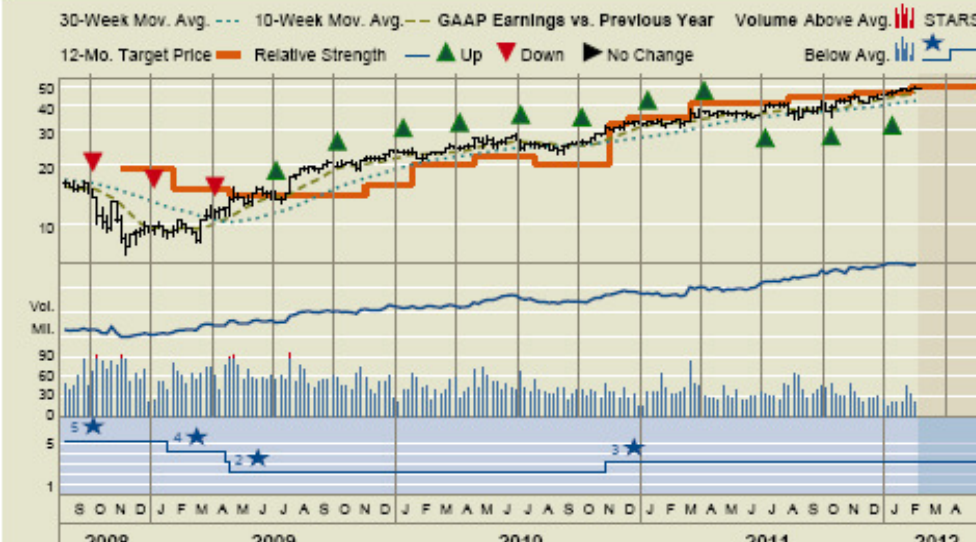
**GICS Sector** Consumer Discretionary  
**Sub-Industry** Restaurants

**Summary** Starbucks is the world's leading coffee roaster and retailer of high-quality coffee products, which it sells through its approximately 17,244 retail stores globally, as well as increasingly through multiple retail channels.

### Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$49.36–31.17	S&P Oper. EPS 2012E	1.81	Market Capitalization(B)	\$36.525	Beta	1.20
Trailing 12-Month EPS	\$1.67	S&P Oper. EPS 2013E	2.06	Yield (%)	1.40	S&P 3-Yr. Proj. EPS CAGR(%)	14
Trailing 12-Month P/E	29.0	P/E on S&P Oper. EPS 2012E	26.8	Dividend Rate/Share	\$0.68	S&P Credit Rating	BBB+
\$10K Invested 5 Yrs Ago	\$15,300	Common Shares Outstg. (M)	753.4	Institutional Ownership (%)	77		

### Price Performance



### Qualitative Risk Assessment

LOW MEDIUM HIGH

Our risk assessment reflects uncertainties of ongoing steps to reinvigorate the Starbucks brand. We also see a threat from specialty coffee offerings by competitors. Offsetting these concerns, we think the company has significant financial strength, affording it the potential to return to moderate growth. Recent cost cutting has further bolstered the company's finances.

### Quantitative Evaluations

**S&P Quality Ranking** B+

D C B- B B+ A- A A+

**Relative Strength Rank** MODERATE

59  
LOWEST = 1 HIGHEST = 99

# Stock Profile - APPLE

## Apple Inc AAPL:NASDAQ

Last Price **\$502.12** Today's Change **-0.09 (-0.02%)** Bid/Size **\$502.65/140** Ask/Size **\$502.65/36** Today's Volume **18,431,036** Below Avg.

As of close Friday, 02/17/2012

[Next Steps](#) [Trade](#)

**Schwab Equity Rating®**  
 Rating as of 02/10/2012  
F D C B A

[Schwab Equity Ratings Report®](#)  
[SER Report User Guide](#)

[Summary](#) [News](#) [Charts](#) [Ratings](#) [Fundamentals](#) [Statements](#) [Peers](#) [Reports](#) [Options & Preferreds](#)

**Second Quarter Earnings Announcement Expected:** Earnings will tentatively be announced 04/24/2012. With 47 analysts covering AAPL, the consensus EPS estimate is \$9.41, and the high and low estimates are \$10.95 and \$8.46, respectively.

### Ratings Summary

**Schwab Equity Rating**  
 Rating as of 02/10/2012  
F D C B A

[Schwab Equity Ratings Report®](#)  
[SER Report User Guide](#)

**Company Performance** [Margin Requirements](#)

[Quote Details](#) [Sector Overview](#) [Total Return](#) [Historical Quote](#) [Key Fundamentals](#) [Company Profile](#)

1 Day 5 Days 3 Month 6 Month YTD 1 Year 3 Years 5 Years

**Apple Inc**  
 as of 02/16/2012

Price Change **+131.28 (35.40%)**  
H 526.29

Volume (Millions)

**Details**

Today's Open	\$503.11
Previous Close	\$502.21
Day's Range	\$500.30 - \$507.77
52 Week range	\$310.50 - \$526.29
Beta	1.22
Avg. Volume (10 Day)	23,488,473
Put/Call Ratio (1 Day)	--
Put/Call Ratio (30 Day)	0.6

**Shares**

Market Capitalization (Large Cap)	\$466.9B
Shares Outstanding	932.4M
Shares Held By Institutions	68%

Rating as of 01/25/2012  
Underperform Neutral Outperform

[Click here](#) for recent Credit Suisse equity research reports.

**Ned Davis Research**  
 Rating since 10/31/2011  
Sell Neutral Buy

[Ned Davis Research Report](#)  
 Latest report 02/12/2012  
[New: Equity Rating Model](#)

**Argus 12 Month Rating**  
 Rating since 01/10/2006  
Sell Hold Buy

[Argus Analyst Report](#)  
 Latest report 01/25/2012

**Standard & Poor's Opinion**  
 Rating since 11/10/2011  
★ ★★ ★★★ ★★★★ ★★★★★

[Standard & Poor's Stock Report](#)  
 Latest report 02/11/2012

3/11/2012

Stock Selection

10

# Argus Analysis - APPLE

Apple manufactures PCs, MP3 players, smartphones, tablet computers, software and peripherals for a worldwide customer base. Its products include the Macintosh line of desktop and mobile PCs, the iPod MP3 line, the iPhone, the iPad, and various consumer products including Apple TV. Apple also owns and operates iTunes, the world's largest vendor of recorded music. Apple derives 40%-45% of its revenue from the Americas, 20%-25% from Europe/MEA, 4%-6% from Japan, 8%-10% from Asia-Pacific, and 15%-18% from its own retail stores.

## Analyst's Notes

*Analysis by Jim Kelleher, CFA, January 25, 2012*

**ARGUS RATING: BUY**

- iSuperlative first quarter
- Apple shattered even the most aggressive expectations for fiscal 1Q12, with sales of 37 million iPhones.
- First-quarter net income exceeded \$13 billion, resulting in a 28% net margin.
- Apple ended the quarter with about \$98 billion in cash.
- With the iPad 3 and iPhone 5 likely coming in spring and fall, respectively, Apple's strongest quarters this year may well be ahead.

## INVESTMENT THESIS

BUY-rated Apple Inc. (NGS: AAPL) shattered expectations for fiscal 1Q12, as revenue topped the consensus estimate by \$10 billion and net income exceeded \$13 billion - in just 90 days. Gross margins, which a year ago were in the high 30s, came in above 44%, unheard of for a hardware company catering to consumers. Apple ended the quarter, its first full reporting period post-Steve Jobs, with about \$98 billion in cash - putting it in the ranks of the top 50 world economies (if it were a nation). Of course, to its millions of acolytes, Apple is more than a nation; it's a way of life. During the quarter, Apple sold 37 million iPhones, powered by the launch of the iPhone 4S - which investors will remember

## Argus Recommendations

<b>Twelve Month Rating</b>	SELL	HOLD	<b>BUY</b>
<b>Five Year Rating</b>	SELL	HOLD	<b>BUY</b>
<b>Sector Rating</b>	Under Weight	Market Weight	<b>Over Weight</b>

Argus assigns a 12-month BUY, HOLD, or SELL rating to each stock under coverage.

- BUY-rated stocks are expected to outperform the market (the benchmark S&P 500 Index) on a risk-adjusted basis over the next year.
- HOLD-rated stocks are expected to perform in line with the market.
- SELL-rated stocks are expected to underperform the market on a risk-adjusted basis.

The distribution of ratings across Argus' entire company universe is: 46% Buy, 49% Hold, 5% Sell.

## Key Statistics

Key Statistics pricing data reflects previous trading day's closing price. Other applicable data are trailing 12-months unless otherwise specified

### Market Overview

Price	\$420.41
Target Price	\$540.00
52 Week Price Range	\$310.50 to \$526.29
Shares Outstanding	932.15 Million
Dividend	--

# S&P Analysis - APPLE

Stock Report | February 11, 2012 | NNM Symbol: AAPL | AAPL is in the S&P 500



## Apple Inc

**S&P Recommendation** BUY ★★★★★

**Price**  
\$493.42 (as of Feb 10, 2012)

**12-Mo. Target Price**  
\$650.00

**Investment Style**  
Large-Cap Growth

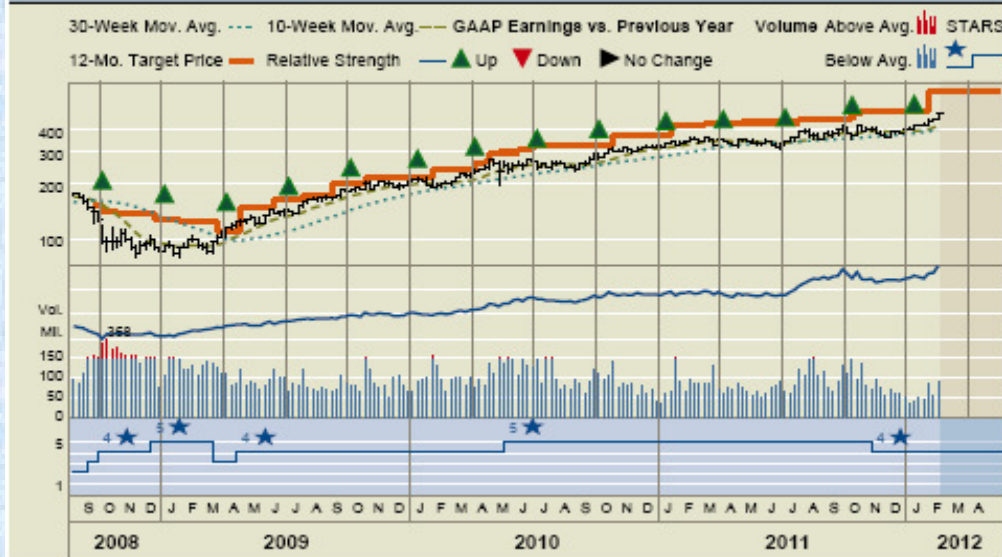
**GICS Sector** Information Technology  
**Sub-Industry** Computer Hardware

**Summary** This company is a prominent provider of hardware and software, including Mac computers, the iPod digital media player, the iPhone smartphone, and the iPad tablet.

### Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$497.62–310.50	S&P Oper. EPS 2012E	41.00	Market Capitalization(B)	\$460.050	Beta	1.22
Trailing 12-Month EPS	\$35.14	S&P Oper. EPS 2013E	49.00	Yield (%)	Nil	S&P 3-Yr. Proj. EPS CAGR(%)	34
Trailing 12-Month P/E	14.0	P/E on S&P Oper. EPS 2012E	12.0	Dividend Rate/Share	Nil	S&P Credit Rating	NR
\$10K Invested 5 Yrs Ago	\$59,255	Common Shares Outstg. (M)	932.4	Institutional Ownership (%)	68		

### Price Performance



### Qualitative Risk Assessment

LOW MEDIUM HIGH

Our risk assessment reflects our view of a seemingly ever-evolving market for consumer-oriented technology products, potential challenges associated with the company's growing size and offerings, and possible changes to the pace or success of product innovations following recent management changes.

### Quantitative Evaluations

**S&P Quality Ranking** B

D C B- B B+ A- A A+

**Relative Strength Rank** STRONG

91

LOWEST = 1 HIGHEST = 99

# Side by Side Comparison

## Starbucks

- Strong recent performance
- P/E of 29 and 26.8 fully priced
  - \$48 → \$52 target , 8% potential
  - Growth forecast 18%
  - Forward PEG, 1.5
- S&P Hold
- Argus Buy



## Apple

- Strong ongoing performance
- P/E of 14 and 11 fairly low
  - \$540 → \$650 target, ~20% potential
  - Growth forecast 21%
  - Forward PEG, .5
- S&P Buy
- Argus Buy



# Actual Results

Name	Yrs Held	Annualized G/L (%)
APPLE INC	14.0	39.2%
MCDONALDS CORP	0.8	29.4%
GENERAL ELECTRIC COMPANY	3.0	28.7%
DELL INC	0.8	22.2%
YUM BRANDS INC	0.8	22.2%
INTL BUSINESS MACHINES	1.1	17.4%
COACH INC	7.9	16.7%
TIME WARNER INC *	16.6	16.3%
STARBUCKS CORP	10.0	15.2%
MICROSOFT CORP	20.2	14.0%
DEERE & CO	0.8	13.6%
NORDSTROM INC	7.5	11.8%
HARLEY DAVIDSON INC	4.5	11.6%
COSTCO WHSL CORP NEW	7.5	10.1%
WELLS FARGO & CO NEW	3.4	3.3%
KOHL'S CORP	7.5	1.5%
CATERPILLAR INC	0.8	0.2%
DU PONT E I DE NEMOUR&CO	0.7	-3.5%
ORACLE CORPORATION	0.8	-18.1%
<b>Spin-offs</b>		
TIME WARNER CABLE *	2.9	169.2%
AOL INC *	2.3	149.9%
$(\text{end}/\text{start})^{1/n}-1$		
Excludes Dividends		
Held 6 mos or longer		

- Generally Good Results
- Not Perfect
- Need to Tack Performance Consistently

# Summary

- Start with what you Know
- Then do the Research
  - Fundamentals
  - News and Events
  - Third Party Analysis
  - If all else fails,  
... just ask your spouse

