Portfolio: Consideration Changes

The USA Stock Only portfolio experienced one stock that reached an overvaluation level recently and was retired from the portfolio. The stock was:

1. FMC Corporation [FMC] – a Materials stock that reached an overvalued level. FMC went undervalued back in the Fall 2015 and steadily improved until last week. The stock reached an overvalued price and started a correction soon thereafter. This placed the stock on the Sell Consideration list. This is the only stock to be removed from portfolio consideration in this update.

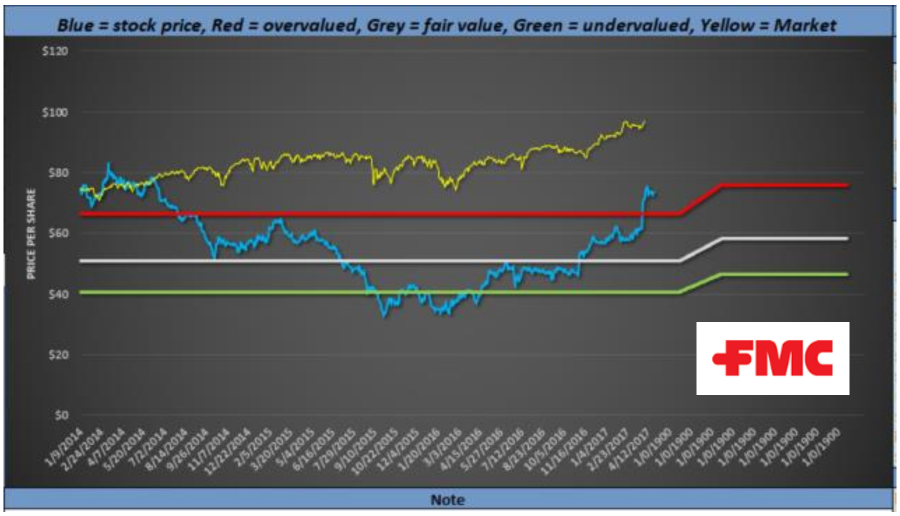


Figure 1: FMC Corporations [URI] Price Chart Compared to Market

After this stock was removed the portfolio was overweight in Aspirational stocks and underweight in Core and Market stocks. It was also underweight in Large cap market capitalization stocks and had the largest underweight in Consumer Discretionary, Large cap. There are eleven stocks to consider within the Buy classification that meet these criteria.

We are giving consideration to two stocks, BorgWarner [BWA] and Hanesbrands [HBI]. BorgWarner is currently in the portfolio. There will be an additional allocation of 487 shares to the current allocation bringing the total portfolio weight to 1.38%

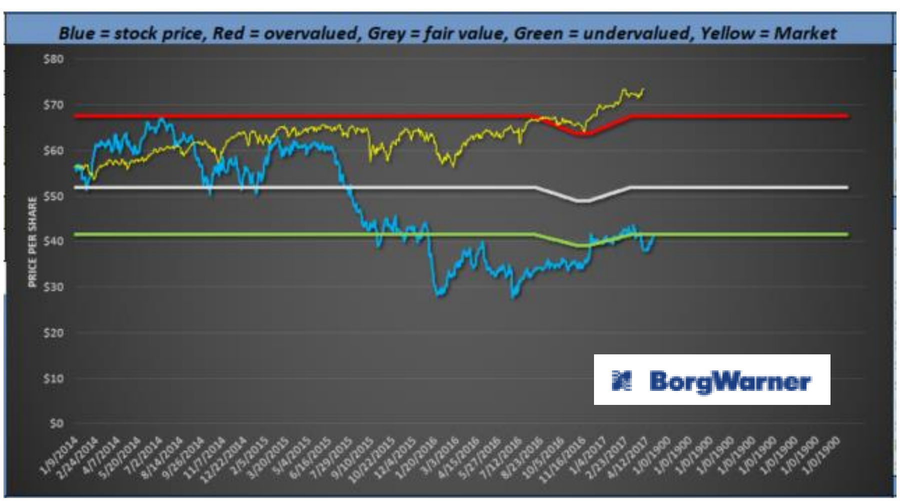
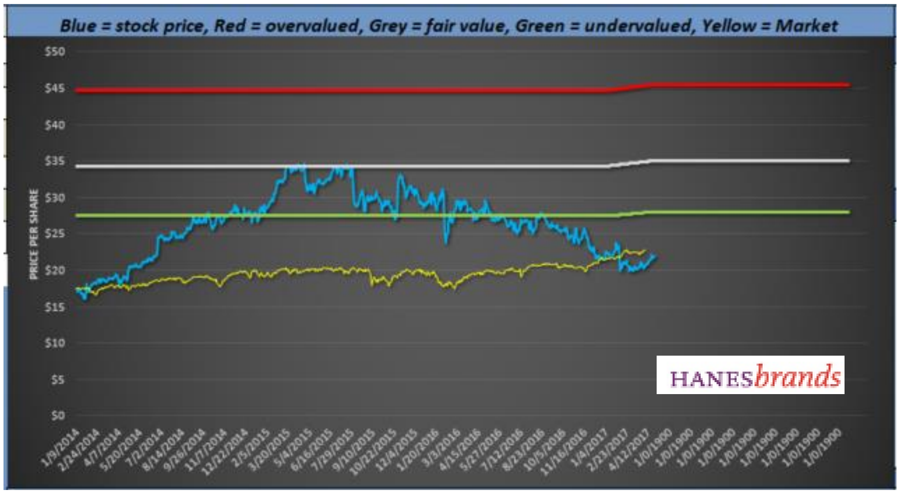


Figure 2: BorgWarner [BWA] Price Chart Compared to Market

The stock went undervalued in early 2016 and has enjoyed a steady increase in value and generates a 1.36% dividend. It is currently at 79% Fv and remains on the Buy considerations list. Sales growth continues to improve as does profitability.

The second stock that surfaced at the top of consideration is Hanesbrands [HBI]. This is also a Consumer Discretionary, Large cap, Market classification stock. Dividend generation is high at 2.73% and revenue growth has been improving over the last 3 years.



With these changes the portfolio now has 20.4% in the Core classification, 60.7% in Market and 18.9% in Aspirational. In terms of market capitalization, the portfolio now has 80.9% in Large cap classifications, 9.9% in Mid cap and 9.2% in Small cap. The portfolio remains favored toward smaller capitalization stocks, but only by 6 percentage points.

The portfolio now has the following considerations.

Ticker	Shares	Name	Value	Index	Sector	Industry	%ofPort	Yield	B/H/S	CMA
BWA	699	BorgWarner Inc.	$ 28,701	S&P500	Consumer Discretionary	Automobiles & Components	1.38%	1.36	B	ASPIRATIONAL
DAN	935	Dana Holding Corp.	$ 17,971	S&P400	Consumer Discretionary	Automobiles & Components	0.87%	1.25	H	ASPIRATIONAL
F	726	Ford Motor Company	$ 8,422	S&P500	Consumer Discretionary	Automobiles & Components	0.41%	5.17	B	MARKET
HOG	205	Harley-Davidson, Inc.	$ 11,865	S&P500	Consumer Discretionary	Automobiles & Components	0.57%	2.52	H	MARKET
COH	300	Coach Inc	$ 11,826	S&P500	Consumer Discretionary	Consumer Durables & Apparel	0.57%	3.42	H	MARKET
HBI	293	Hanesbrands, Inc.	$ 6,440	S&P500	Consumer Discretionary	Consumer Durables & Apparel	0.31%	2.73	B	MARKET
VFC	414	V.F. Corporation	$ 23,532	S&P500	Consumer Discretionary	Consumer Durables & Apparel	1.13%	2.96	B	MARKET
BOBE	293	Bob Evans Farms Inc.	$ 19,581	S&P600	Consumer Discretionary	Consumer Services	0.94%	2.04	SW	CORE
CABO	69	Cable ONE	$ 46,913	S&P400	Consumer Discretionary	Media	2.26%	0.88	H	CORE
CBS	295	CBS Corp. cl B	$ 19,738	S&P500	Consumer Discretionary	Media	0.95%	1.08	H	MARKET
DISCA	293	Discovery Communications A	$ 8,611	S&P500	Consumer Discretionary	Media	0.41%	-	B	MARKET
TWX	209	Time Warner Inc	$ 20,942	S&P500	Consumer Discretionary	Media	1.01%	1.61	H	MARKET
BKE	408	Buckle Inc.	$ 7,793	S&P600	Consumer Discretionary	Retailing	0.38%	5.24	BW	MARKET
GPS	408	Gap Inc.	$ 10,710	S&P500	Consumer Discretionary	Retailing	0.52%	3.50	B	MARKET
M	269	Macy's Inc.	$ 7,917	S&P500	Consumer Discretionary	Retailing	0.38%	5.13	B	MARKET
GM	670	General Motors Company	$ 23,035	S&P500	Consumer Discretionary	Automobiles & Components	1.11%	4.42	B	MARKET
HRB	1000	H&R Block Inc.	$ 23,890	S&P500	Consumer Discretionary	Consumer Services	1.15%	3.68	B	MARKET
JWN	163	Nordstrom, Inc.	$ 7,772	S&P500	Consumer Discretionary	Retailing	0.37%	3.10	B	MARKET
WSM	190	Williams-Sonoma Inc.	$ 10,385	S&P400	Consumer Discretionary	Retailing	0.50%	2.85	B	MARKET
			$ 316,044		**Consumer Discretionary Total**		15.22%			
CVS	572	CVS Health Corporation	$ 46,904	S&P500	Consumer Staples	Food & Staples Retailing	2.26%	2.44	B	CORE
XLP	7	SPDR Cons Staples Slct	$ 387		Consumer Staples	Food & Staples Retailing	0.02%			
SVU	1000	SUPERVALU, Inc.	$ 4,150	S&P600	Consumer Staples	Food & Staples Retailing	0.20%	-	BW	ASPIRATIONAL
WFM	343	Whole Foods Market Inc.	$ 12,468	S&P500	Consumer Staples	Food & Staples Retailing	0.60%	1.54	H	CORE
ADM	252	Archer Daniels Midland	$ 11,408	S&P500	Consumer Staples	Food Beverage & Tobacco	0.55%	2.83	H	MARKET
KO	247	Coca-Cola Company	$ 10,680	S&P500	Consumer Staples	Food Beverage & Tobacco	0.51%	3.42	H	CORE
FLO	1588	Flowers Foods Inc	$ 31,474	S&P400	Consumer Staples	Food Beverage & Tobacco	1.52%	3.23	H	CORE
CLX	36	Clorox Company	$ 4,809	S&P500	Consumer Staples	Household & Personal Products	0.23%	2.40	H	CORE
PG	350	Procter & Gamble Co.	$ 30,709	S&P500	Consumer Staples	Household & Personal Products	1.48%	3.14	H	CORE
			$ 152,989		**Consumer Staples Total**		7.37%			

Ticker	Shares	Name	Value	Index	Sector	Industry	%ofPort	Yield	B/H/S	CMA
APC	108	Anadarko Petroleum Corp	$ 6,476	S&P500	Energy	Energy	0.31%	0.33	H	ASPIRATIONAL
CVX	19	Chevron Corp	$ 2,036	S&P500	Energy	Energy	0.10%	4.07	H	MARKET
COP	724	ConocoPhillips	$ 34,998	S&P500	Energy	Energy	1.69%	2.19	B	ASPIRATIONAL
DO	68	Diamond Offshore Drilling Inc.	$ 1,021	S&P400	Energy	Energy	0.05%	-	BW	MARKET
ESV	86	Ensco plc cl A	$ 731	S&P400	Energy	Energy	0.04%	0.47	H	ASPIRATIONAL
HP	32	Helmerich & Payne Inc	$ 2,087	S&P500	Energy	Energy	0.10%	4.29	H	ASPIRATIONAL
HES	108	Hess Corporation	$ 5,347	S&P500	Energy	Energy	0.26%	2.02	H	ASPIRATIONAL
MPC	467	Marathon Petroleum Corp	$ 23,163	S&P500	Energy	Energy	1.12%	2.90	H	ASPIRATIONAL
NOV	437	National Oilwell Varco Inc	$ 15,782	S&P500	Energy	Energy	0.76%	0.55	BW	MARKET
NE	126	Noble Corporation plc (UK)	$ 635	S&P400	Energy	Energy	0.03%	-	B	ASPIRATIONAL
OXY	27	Occidental Petroleum Corp	$ 1,686	S&P500	Energy	Energy	0.08%	4.87	H	MARKET
VLO	184	Valero Energy Corp.	$ 11,942	S&P500	Energy	Energy	0.57%	4.31	H	MARKET
			$ 105,903		**Energy Total**		5.10%			
BBT	541	BB&T Corp	$ 23,712	S&P500	Financials	Banks	1.14%	2.74	H	MARKET
FITB	1257	Fifth Third Bancorp	$ 31,387	S&P500	Financials	Banks	1.51%	2.24	H	ASPIRATIONAL
KEY	1658	KeyCorp	$ 30,971	S&P500	Financials	Banks	1.49%	1.82	H	ASPIRATIONAL
OFG	2144	OFG Bancorp	$ 25,942	S&P600	Financials	Banks	1.25%	1.98	B	ASPIRATIONAL
USB	569	U.S. Bancorp	$ 29,656	S&P500	Financials	Banks	1.43%	2.15	H	MARKET
AXP	361	American Express Co.	$ 29,068	S&P500	Financials	Diversified Financials	1.40%	1.59	H	MARKET
AMP	62	Ameriprise Financial, Inc.	$ 7,936	S&P500	Financials	Diversified Financials	0.38%	2.57	H	ASPIRATIONAL
FII	518	Federated Investors Inc.	$ 14,452	S&P400	Financials	Diversified Financials	0.70%	3.58	H	MARKET
GHL	1145	Greenhill & Co Inc.	$ 32,862	S&P600	Financials	Diversified Financials	1.58%	6.27	H	ASPIRATIONAL
IVZ	286	Invesco Ltd.	$ 9,278	S&P500	Financials	Diversified Financials	0.45%	3.45	H	ASPIRATIONAL
LM	622	Legg Mason Inc.	$ 23,723	S&P400	Financials	Diversified Financials	1.14%	2.31	B	ASPIRATIONAL
STT	165	State Street Corp	$ 13,786	S&P500	Financials	Diversified Financials	0.66%	1.82	H	ASPIRATIONAL
AFL	201	AFLAC Inc.	$ 15,035	S&P500	Financials	Insurance	0.72%	2.30	H	MARKET
ALL	460	Allstate Corporation	$ 37,628	S&P500	Financials	Insurance	1.81%	1.81	H	CORE
HIG	242	Hartford Financial Services	$ 11,643	S&P500	Financials	Insurance	0.56%	1.91	H	MARKET
MET	345	MetLife, Inc.	$ 17,902	S&P500	Financials	Insurance	0.86%	3.08	H	ASPIRATIONAL
			$ 354,981		**Financials Total**		17.09%			
ABT	428	Abbott Laboratories	$ 18,746	S&P500	Health Care	Health Care Equipment & Services	0.90%	2.42	H	MARKET
KND	588	Kindred Healthcare Inc.	$ 5,468	S&P600	Health Care	Health Care Equipment & Services	0.26%	5.16	B	MARKET
AMGN	116	Amgen Inc.	$ 19,095	S&P500	Health Care	Pharmaceuticals & Biotechnology	0.92%	2.79	H	MARKET
BMY	606	Bristol-Myers Squibb Co.	$ 32,585	S&P500	Health Care	Pharmaceuticals & Biotechnology	1.57%	2.90	B	MARKET
GILD	304	Gilead Sciences Inc.	$ 20,739	S&P500	Health Care	Pharmaceuticals & Biotechnology	1.00%	3.05	BW	MARKET
JNJ	618	Johnson & Johnson	$ 76,329	S&P500	Health Care	Pharmaceuticals & Biotechnology	3.68%	2.59	H	CORE
MRK	766	Merck & Co. Inc.	$ 48,028	S&P500	Health Care	Pharmaceuticals & Biotechnology	2.31%	3.00	H	MARKET
PFE	2734	Pfizer Inc.	$ 92,546	S&P500	Health Care	Pharmaceuticals & Biotechnology	4.46%	3.78	H	MARKET
VRTX	154	Vertex Pharmaceuticals	$ 17,916	S&P500	Health Care	Pharmaceuticals & Biotechnology	0.86%	-	B	ASPIRATIONAL
			$ 331,453		**Health Care Total**		15.96%			
ETN	24	Eaton Corporation, plc	$ 1,859	S&P500	Industrials	Capital Goods	0.09%	3.13	H	MARKET
EMR	24	Emerson Electric Co.	$ 1,483	S&P500	Industrials	Capital Goods	0.07%	3.14	H	MARKET
GE	871	General Electric Company	$ 25,485	S&P500	Industrials	Capital Goods	1.23%	3.28	H	MARKET
IR	24	Ingersoll-Rand Plc	$ 2,128	S&P500	Industrials	Capital Goods	0.10%	1.80	H	MARKET
JCI	630	Johnson Controls, Inc.	$ 27,122	S&P500	Industrials	Capital Goods	1.31%	2.32	B	MARKET
UTX	24	United Technologies Corp	$ 2,855	S&P500	Industrials	Capital Goods	0.14%	2.23	H	MARKET
ARCB	527	ArcBest Corporation	$ 14,255	S&P600	Industrials	Transportation	0.69%	1.18	H	ASPIRATIONAL
CHRW	491	C.H. Robinson Worldwide, Inc.	$ 35,750	S&P500	Industrials	Transportation	1.72%	2.47	H	CORE
UPS	789	United Parcel Service Inc.	$ 84,912	S&P500	Industrials	Transportation	4.09%	3.08	H	MARKET
			$ 195,849		**Industrials Total**		9.43%			
ADI	1423	Analog Devices Inc.	$ 110,966	S&P500	Information Technology	Semiconductors and Semiconductor Equipment	5.34%	2.31	H	MARKET
QRVO	137	Qorvo, Inc.	$ 9,723	S&P500	Information Technology	Semiconductors and Semiconductor Equipment	0.47%	-	SW	ASPIRATIONAL
QCOM	500	Qualcomm Inc.	$ 26,520	S&P500	Information Technology	Semiconductors and Semiconductor Equipment	1.28%	4.30	B	MARKET
GPN	362	Global Payments Inc.	$ 29,478	S&P500	Information Technology	Software & Services	1.42%	0.05	H	MARKET
IBM	317	IBM Corp	$ 50,739	S&P500	Information Technology	Software & Services	2.44%	3.75	H	MARKET
SYMC	853	Symantec Corporation	$ 26,656	S&P500	Information Technology	Software & Services	1.28%	0.96	H	MARKET
WU	959	Western Union	$ 19,276	S&P500	Information Technology	Software & Services	0.93%	3.48	H	MARKET
AAPL	138	Apple Inc.	$ 19,785	S&P500	Information Technology	Technology Hardware & Equipment	0.95%	1.59	H	MARKET
CMTL	1904	Comtech Telecommunications	$ 27,722	S&P600	Information Technology	Technology Hardware & Equipment	1.33%	2.75	B	MARKET
NTAP	1080	NetApp, Inc.	$ 42,800	S&P500	Information Technology	Technology Hardware & Equipment	2.06%	1.92	H	MARKET
PKE	2977	Park Electrochemical	$ 52,693	S&P600	Information Technology	Technology Hardware & Equipment	2.54%	2.26	B	MARKET
PLT	602	Plantronics Inc.	$ 32,725	S&P400	Information Technology	Technology Hardware & Equipment	1.58%	1.10	H	MARKET
STX	587	Seagate Technology Plc	$ 24,660	S&P500	Information Technology	Technology Hardware & Equipment	1.19%	6.00	H	ASPIRATIONAL
			$ 473,743		**Information Technology Total**		22.81%			
ATI	437	Allegheny Technologies, Inc.	$ 8,281	S&P400	Materials	Materials	0.40%	-	B	ASPIRATIONAL
BMS	285	Bemis Company Inc.	$ 14,304	S&P400	Materials	Materials	0.69%	2.39	H	CORE
MON	190	Monsanto Co	$ 22,181	S&P500	Materials	Materials	1.07%	1.85	H	MARKET
MOS	350	Mosaic Co. (The)	$ 9,597	S&P500	Materials	Materials	0.46%	4.01	B	MARKET
			$ 54,363		**Materials Total**		2.62%			
T	418	AT&T Inc.	$ 16,904	S&P500	Telecommunication Services	Telecommunication Services	0.81%	4.85	H	CORE
CTL	621	CenturyLink, Inc.	$ 16,065	S&P500	Telecommunication Services	Telecommunication Services	0.77%	8.35	B	MARKET
FTR	1940	Frontier Communications Corp.	$ 3,725	S&P400	Telecommunication Services	Telecommunication Services	0.18%	21.88	BW	MARKET
			$ 36,694		**Telecommunication Services Total**		1.77%			
ED	195	Consolidated Edison, Inc.	$ 15,432	S&P500	Utilities	Utilities	0.74%	3.49	SW	CORE
ETR	74	Entergy Corp	$ 5,623	S&P500	Utilities	Utilities	0.27%	4.58	H	CORE
EXC	265	Exelon Corp	$ 9,249	S&P500	Utilities	Utilities	0.45%	3.75	H	CORE
FE	143	FirstEnergy Corporation	$ 4,364	S&P500	Utilities	Utilities	0.21%	4.72	H	CORE
NRG	938	NRG Energy Inc	$ 16,209	S&P500	Utilities	Utilities	0.78%	0.69	H	MARKET
PCG		PG&E Corporation	$ -	S&P500	Utilities	Utilities		2.93	SW	CORE
PPL	105	PPL Corporation	$ 3,984	S&P500	Utilities	Utilities	0.19%	4.16	H	CORE
			$ 54,861		**Utilities Total**		2.64%			

Column Definitions in Portfolio Considerations

Ticker – this is the ticker assigned to the stock as an identifier on the exchange.

Name – the name associated with the ticker from column one.

Shares – the number of shares currently held in the portfolio.

Value – the current value of the stock held in the portfolio (Shares X Current Price)

Index – if the stock is a constituent of a S&P index such as the S&P500 it is indicated in this column.

Sector - this column shows which of the 10 S&P sectors the security has been assigned per the stocks general business activities.

Industry - this column shows which of the S&P industry groups the stock has been assigned per the stocks general business activities. These are sub-groups of the sectors.

%Portfolio – provides the value in percent which the stock value represents in the entire portfolio. The complete portfolio = 100%.

Yield – the current dividend yield of the stock.

B/H/S – classification as to whether the stock has been identified as a Buy (B=Buy), Buy Watch (BW=Buy Watch), Hold (H=Hold), Sell Watch (SW=Sell Watch) or Sell (S=Sell). In general, Buy stocks are undervalued, pay a dividend greater than the market and show indications of a move back to fair value, Buy Watch stocks are undervalued, pay a dividend greater than the market but have not shown signs of a move back to fair value, Sell Watch stocks are overvalued but have not shown an indication to return to fair value, Sell stocks are overvalued and showing signs of a drop back to fair value. Hold stocks are all the rest.

CMA – is a rating that represents the historical stock price fluctuation compared to the universe of stocks. If a stock is in the portion of the universe that has a lower magnitude of fluctuation than the market, it is classified as Core. If the stock has the general characteristics of the market, it is classified as Market and if the stock has a characteristic of having higher variations in price than the market, it is considered Aspirational.