

# Portfolio Summary Report

PERT  
Trend  
Summary ✓

**CAUTION:** The chart below is for illustration only. Some numbers may be fictitious

TICKER	COMPANY NAME	DATE	PRICE	P/E	TOT RET	REL VAL	U / D	BUY BLW	SELL ABV	% Port REC
HELE	Helen of Troy	07/31/02	12.75	12.8	9.35	82.1	0.8	8.6	15.6	6.84%
APPB	Applebees Int'l	07/31/02	22.71	17.2	10.30	122.0	1.3	18.6	29.3	9.14%
HDI	HARLEY-DAVIDSON	07/31/02	47.36	33.1	12.59	121.2	1.2	34.7	64.2	12.71%
FDC	First Data	07/31/02	34.95	13.9	31.37	61.8	99.9	58.4	96.8	9.38% Buy
HAS	HASBRO INC	07/31/02	12.25	29.9	-3.61	129.4	0.0	2.3	6.9	3.29%
AZO	AUTOZONE INC	07/31/02	73.75	35.5	-3.44	198.3	0.0	31.9	54.8	39.59%
NOK	Nokia [ADR]	07/31/02	12.40	21.8	38.20	57.1	99.9	31.4	44.0	6.66% Buy
FLA	FLA EAST COAST	07/31/02	23.06	36.0	21.17	131.9	3.6	23.9	37.3	12.38%

As the name implies, the purpose of this form is to assist in the analysis of the portfolio. The recommendations on the far right indicate whether the data [based on the Portfolio Management Guide results for that company] indicates that the stock is a Buy, Sell, or Hold.

To get to this form, open the PERT for the portfolio to be analyzed. Then, as shown above, scroll down in the Views window and click on "Summary."

Buy and Sell recommendations are eligible to be shown; Hold recommendations are not. Criteria:

## SELL

- The price is in the SSGs Sell range
- The relative value is greater than 150%
- The company's earnings are growing at or below 12%

## BUY

- The price is in the SSG's Buy range
- Relative value is 100% or less

**SEE NEXT PAGE FOR IMPORTANT INFORMATION**

## CAUTION

Never take action based *solely* on these Portfolio Summary Report recommendations. In many cases the reason the Buy recommendation appears is because the price of the stock has fallen so low that it is now in the Buy range of the SSG.

In the large majority of these cases, the price has fallen this far because something is wrong with the fundamentals [earnings, profit margin, cash flow, debt to capitalization levels, etc] of the company. If the fundamentals of the company are sound and you think the price makes the company *truly* undervalued, then the Buy recommendation may be sound.

In any event, always use the PERT, the Trend Report and the PERT-A Graph in your analysis. They may show that the price has been beaten down for good reasons.

In most of these cases where something is wrong with the fundamentals, it may be in order to go back and re-set some of the judgment items on the SSG. For example, if earnings are lagging and profit margins are decreasing, it might be a good time to re-think the forecasted high price. Since over the long-haul, prices follow earnings, the currently forecasted high price in part 4A of the SSG, may be too high. It was forecast back before fundamentals started deteriorating.

Another fundamental to look for [SSG, Part 4, just above the dividing line for Part 5] is a relative value below about 80%. In most cases, when the RV is this low, something really is wrong with fundamentals. Again, if the fundamentals of the company are sound and you think the RV is down for no good, fundamental reason, then the Buy recommendation may be sound.

NOTE: Our Portfolio Management course covers this and more in great detail, together with well-illustrated handouts. Sign up for one soon!