

Expected Returns

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Results, Remarks and References Regarding Investment Initiatives

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Honoring Walter Schloss



*Long-time readers are somewhat familiar with the exploits and achievements of the late Walter Schloss (August 28, 1916 – February 19, 2012). This month, we celebrate his approach to investing -- including a nod to Warren Buffett (Ben Graham) and Value Line. We'll briefly explore the drivers behind our focus on the Value Line low total return forecast. Value Line is good enough for Buffett who wrote about the achievements of Walter in his work, *The SuperInvestors of Graham-and-Doddsville*. In addition to the investing guidelines detailed here, Schloss relied extensively on Value Line. In Buffett's words, "Schloss practiced investing in a way that any ordinary investor can."*

"Over 39 years of investing had delivered annualized returns of slightly over 20% to the clients of Walter Schloss. He worked entirely from a few publications like Value Line ..." -- Warren Buffett, "The SuperInvestors of Graham-and-Doddsville"

Schloss shared the following investing guidelines in a presentation dated March 10, 1994. As we've said before, and we'll be happy to repeat -- when an extremely successful investor with a track record that spans more than five decades says, "Listen up. This is what is important." We listen.

1. "Price is the most important factor to use in relation to value."

Price is an important component of the return forecast equation. The expectations we build for the companies we study necessarily seeks superior returns. We're here for the returns. Superior long-term performance depends on the discovery of better returns -- based on attractive prices.

2. "Try to establish the value of the company. Remember that a share of stock represents a part of a business and is not just a piece of paper."

"When you buy a stock, you become an owner of the company. There is just as much reason to exercise care and judgment in being an owner as in becoming a shareholder." -- Benjamin Graham

3. "Use book value as a starting point to try and establish the value of the enterprise. Be sure that debt does not equal 100% of the equity. (Capital and surplus for the common stock)."

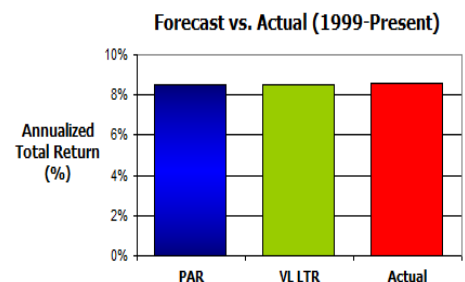
The value of any enterprise is a combination of book value and the discounted value of a future stream of cash flows. Remember that capital structure is a management decision -- and that we expect our leaders to prudently pursue the optimum blend. That said, a company steeped in debt makes interest payments and in the case of failure, common stock holders are often deserted. It's quite a challenge for a company to go bankrupt with no debt -- prudent advice for beginning investors.

4. "Have patience. Stocks don't go up immediately."

Patience. Discipline. Good advice.

5. "Don't buy on tips or for a quick move. Let the professionals do that, if they can. Don't sell on bad news."

Do diligence. Pun intended.



Value Line Investment Survey Low Total Return Forecast (1999-Present). Was the faith in Value Line held by Walter Schloss misplaced? Why does Manifest Investing focus on the low total return (VL LTR) forecasts at Value Line? We think Walter's faith was well-founded and that Value Line has the potential to deliver outstanding opportunities as a trusted resource. Since 1999, the average quarterly low total return forecast for the Standard Edition has been 8.5%. The actual quarterly returns have been 8.6%. We think it's a really good idea that MANIFEST PAR tracks LTR, in general.

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6. "Don't be afraid to be a loner but be sure that you are correct in your judgment. You can't be 100% certain but try to look for weaknesses in your thinking."

What are the threats to your assumptions for growth, profitability and valuation? Have you digested the bulls case vs. the bears case from sources like Morningstar? How about the 5-and-3 influences discussion from sources like the Motley Fool Stock Advisor.

7. "Have the courage of your convictions once you have made a decision."

Do you believe that our approach to understanding the trends associated with growth, profitability and valuation work? If so, let them work.

8. "Have a philosophy of investment and try to follow it. The above is a way that I've found successful."

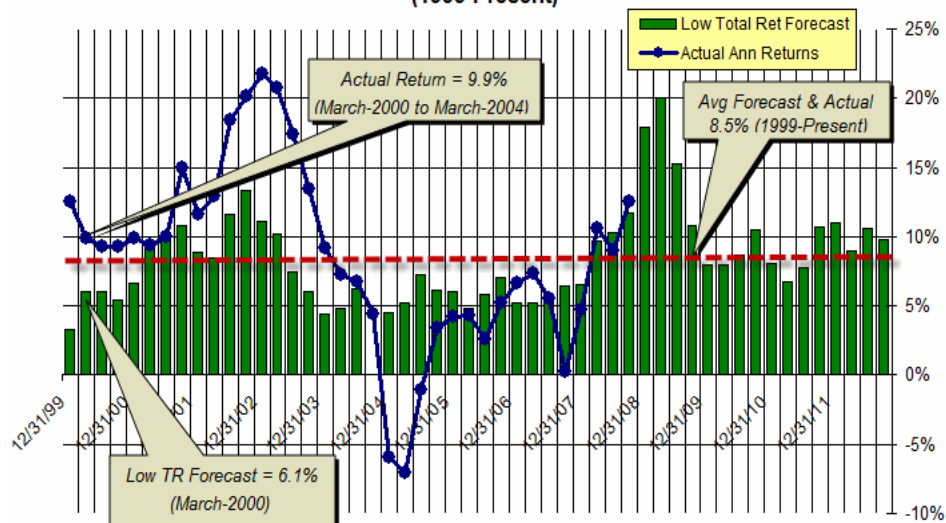
We know that our mettle will always be tested. The discipline of building expectations and vigilantly monitoring for threats and opportunities with respect to a few key factors makes it easier to adhere to our convictions and philosophy. It doesn't hurt to have the peer pressure and source of ideas from a community of like-minded investors, either.

9. "Don't be in too much of a hurry to sell. If the stock reaches a price that you think is a fair one, then you can sell but often because a stock goes up say 50%, people say sell it and button up your profit. Before selling try to reevaluate the company again. Be aware of the level of the stock market. Are yields low and P-E ratios high? If the stock market historically high. Are people very optimistic etc?"

Buy. Hold. For as long as it makes sense to do so?

We think the analysis should be a CONTINUOUS process. Is your return

Market Returns (VL Low Tot Return Forecast vs. Actual) (1999-Present)



Value Line Forecast Efficacy (1999-Present). This graphic profiles the collective low total return forecasts for the Value Line Investment Survey. The green bars represent quarterly four year forecasts based on the 3-5 year median projected low total return. The blue graph provides the actual results four years later. As shown, the second bar from the left represents the 6.1% low total return forecast on 3/31/2000. The second blue dot from the left on the line graph is the actual returns realized for the trailing four years ending 3/31/2004 -- the forecast period. The average forecast and average actual result is 8.5% with periods of optimism and pessimism from 1999-present.

forecast for any stock below money market rates. Market levels? With respect to market barometers, what is the median return (MIPAR) for all stocks? Does your overall portfolio PAR need bolstering? If not, don't hurry.

But if it is, don't wait.

10. "When buying a stock, I find it helpful to buy near the low of the past few years. A stock may go as high as 125 and then decline to 60 and you think it attractive. 3 years before the stock sold at 20 which shows that there is some vulnerability in it."

NAIC co-founder George Nicholson also liked to monitor trailing period low prices, usually 3-5 years.

Stock prices fluctuate.

The key takeaway is to de-emphasize stock price. Heed the chronicle of return forecasts. Keep your eye on the projected returns.

11. "Try to buy assets at a discount than to buy earnings. Earn-

ings can change dramatically in a short time. Usually assets change slowly. One has to know how much more about a company if one buys earnings."

Earnings and P/E ratios are the staples of the underperforming rhino playground. Earnings fluctuate. Stock price follows earnings -- but the focus should be on long-term trends.

Build an understanding of (1) the top line and growth, (2) the profitability trend and (3) the valuation characteristics -- particularly as a function of life cycle and industry-specific tendencies.

We don't buy earnings streams. We invest and own successful enterprises.

12. "Listens to suggestions from people you respect. This doesn't mean you have to accept them. Remember it's your money and generally it is harder to keep money than to make it. Once you lose a lot of money it is hard to make it back."

... continued on page 8 ...



I like Tupperware. We have a kitchen cabinet that serves as a shuffled shrine to Tupperware. Going there necessarily means risking an avalanche and an admission that none of the lids will match the specific container you're trying to use. Combine that with the competitive threat of the prepared meats resealable packages we seem to hoard and I just can't warm up to selecting Tupperware this month. We'll burp and seal somewhere else.

Somewhere else comes in the form of repeat selection Kohl's (KSS). We selected KSS back in December 2005 and achieved a relative return of +45.6% when we closed the position for the October 2006 issue. Kohl's is an old friend.

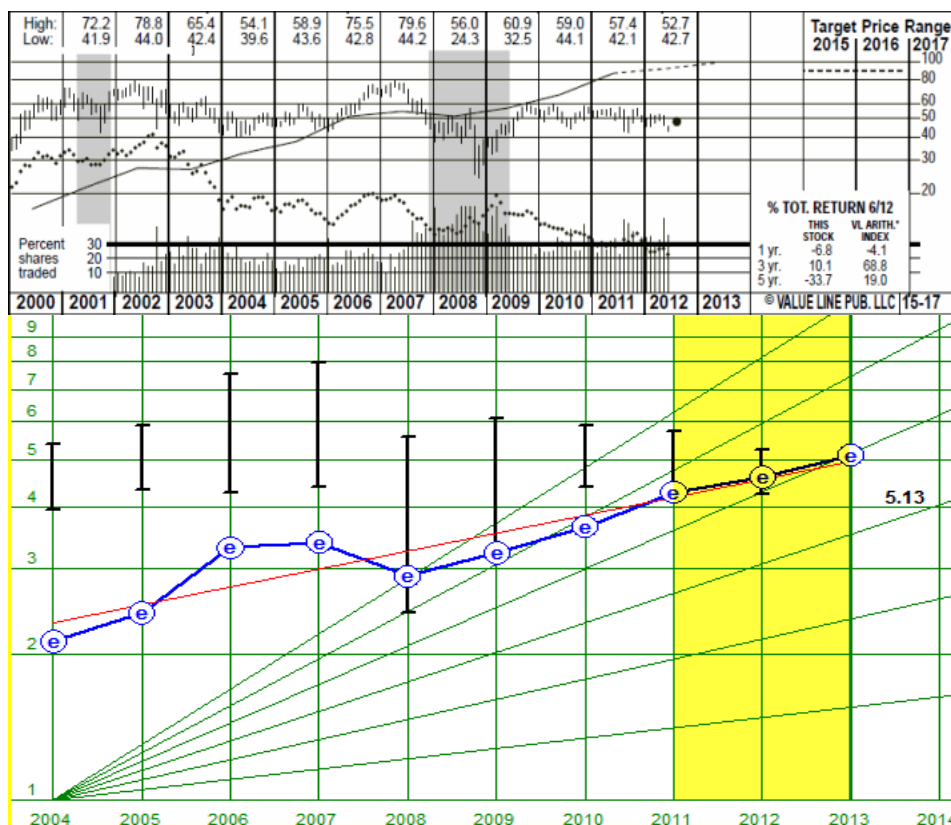
Our sales growth forecast for KSS is 5.2%. This is based on analyst consensus forecasts and a regression from 2004-2016.

We're using 5.8% for the projected net margin -- a median for the span 2008-2016.

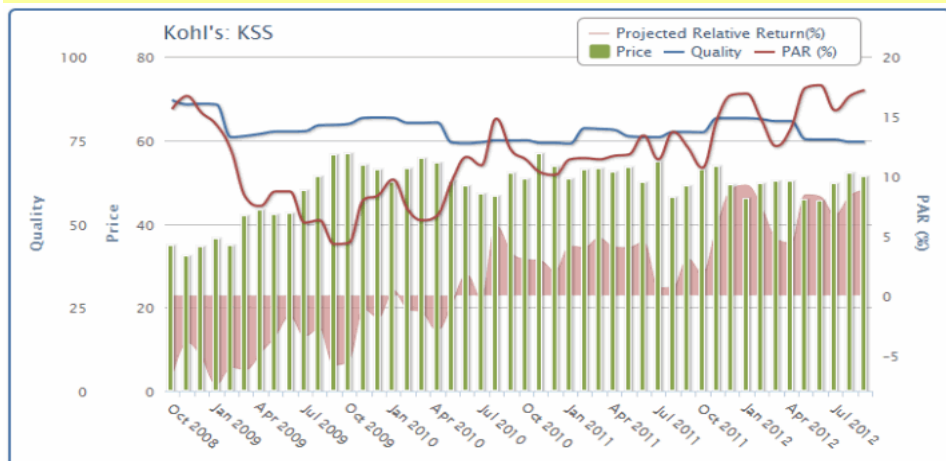
The median P/E for the period 2004-2016 is 15x. Value Line has a long-term projected average P/E of 15x. Based on consensus and industry analysis, we're assigning a projected average P/E of 15x.

At a stock price of \$50.94, the projected annual return is approximately 17%. The quality rating is 74.4 (excellent) and the financial strength rating is 78 (A).

Kohl's has returned to projected market outperformance -- a red tag situation, if you will. We wait as long as it takes for these conditions to take shape.



Kohl's (KSS): Evolving Opportunity? *Combine a stock price that has been stagnant for an extended number of years (top graph) with an earnings trend that has been steadily improving (bottom graph) and ultimately -- for a sustainable, strong business -- and we have a recipe for an opportunity with fairly high potential. For us, it's a return engagement with an old friend. Note the price gains on the chart from December 2005 thru September 2006, the last time we selected Kohl's for the Solomon Select feature.*



Kohl's (KSS): Chronicle. We're often asked "How long will you wait?" when the result of a stock study suggests that the return forecast is insufficiently high to justify a purchase decision. Answer: As long as it takes. In this case, note the steadily improving projected annual return over the years. The PAR has now reached levels last seen in 2008 and the buying conditions appear to be as strong as they've been in quite some time. Reminder: When the projected relative return (red/pink shaded area) is less than zero, we project that the stock will underperform the general market. And the reverse is true -- a shaded area above 0% (we strongly prefer 5-10% for our sweet spot) we expect market out-performance. How long? "As long as it takes ..." and somewhere, Walter Schloss smiled.



Buy Vanguard Technology (VGT)

by Cy Lynch

The Hoard's relative return since its inception (January 2009) is 1.0%, which remains below our long-term goal of at least 3%. That's based on its total return of 13.0% versus 12.0% for the Herd (total stock market) during the same period. Accuracy remains solid at 71.4%.

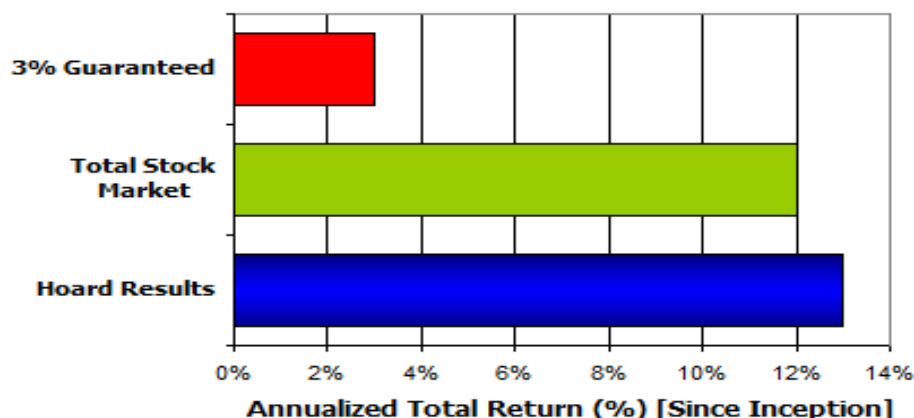
Decisions

Shifting to projections, all key portfolio design characteristics for the Hoard Portfolio remain acceptable. Overall PAR (12.5%) is 4.1 points above current MIPAR (8.7%), well above our goal of MIPAR+3 percentage points. Overall quality is excellent at 69.6 and financial strength (79%) is solid as well. Projected sales growth (11.0%) continues to fall around the middle of our target range of 10-12%.

Yes, There Comes a Time to Sell

Generally we advocate looking hard at sell-

Model Portfolio Results (9/30/2012)



Results (September 30, 2012). The average selection for the Hoard has outperformed the total stock market benchmark by +1.0% since inception. Accuracy, the percentage of selections outperforming the Wilshire 5000 since selection, is now 71.4%.

ing a fund when its current PAR falls much below MIPAR. iShares DJ US Medical Devices (IHI) has been on a short leash for several months as its PAR has ranged around MIPAR, this month falling 1.1 points below. As a result, reinforced by the funds narrow sub-industry focus, we are selling IHI.

ELEMENTS M* Wide Moat Focus (WMW), an exchange-traded note (ETN) with a relatively concentrated 20-stock portfolio, has the second lowest current PAR among Hoard holdings, .4 points below MIPAR. Given its "semi-managed" status, coupled with below market expected returns, we believe that it's time to break ties with WMW, as well.

Both funds have performed well, with all seven selections beating the market. We choose to reinvest the proceeds from both sales into an existing holding, Vanguard Growth Index (VUG) and to use this month's new contribution to accumulate Vanguard Technology (VGT).

Among current Hoard holdings, VGT's current PAR (15.3%) ranks third and VUG's (12.7%) ranks seventh. Their projected growth rates are 12.6% and 11%, respectively. Both funds have excellent quality with VGT's at 79.5 and VUG's at 76.4. With MIPAR ranging around relatively low historical levels (currently 8.4%, but having drifted into the high 7s recently), we find both fund's financial strengths in excess of 90 comforting. Remember the time to ratchet up the quality of holdings is while the bull market ages (and potential returns are low). Once the bear takes hold and MIPAR heads toward relatively high levels, it's generally too late.

<u>Company</u>	<u>Symbol</u>	<u>Sales Grth</u>	<u>Qty</u>	<u>PAR</u>
T. Rowe Price Science & Technology	PRSCX	13.9%	64.8	16.3%
iShares DJ Technology	IYW	12.7%	79.0	15.7%
Putnam Voyager	PVOYX	11.8%	69.3	15.3%
PowerShares QQQ (Nasdaq-100)	QQQ	13.4%	76.7	15.2%
Fidelity NASDAQ	FNCMX	13.5%	76.9	15.2%
Vanguard Technology	VGT	12.6%	79.5	15.2%
Fidelity NASDAQ	ONEQ	13.4%	76.7	15.1%
Fidelity OTC	FOCPX	14.6%	73.0	14.8%
Fidelity Select Technology	FSPTX	15.3%	77.6	14.4%
Fidelity Select Electronics	FSELX	8.8%	58.1	14.3%
iShares Dow Jones US Oil Equipment	IEZ	10.6%	58.8	14.0%
Schwab U.S. Large-Cap Growth	SCHG	12.0%	75.7	13.9%
Firsthand Technology Opportunities	TEFOX	18.6%	72.1	13.5%
SPDRs Technology Select Sector	XLK	11.2%	77.7	13.5%
Fidelity Select Comm Equip	FSDCX	10.0%	67.6	13.5%
Monetta	MONTX	12.2%	67.7	12.9%
SPDR S&P Oil & Gas Equipment & Services	XES	9.7%	54.8	12.9%
BLDRS Asia 50 ADR Index	ADRA	7.7%	57.3	12.8%
Fidelity Select Computers	FDCPX	10.5%	63.7	12.8%
TIAA-CREF Inst Large-Cap Grth	TILIX	10.8%	77.3	12.7%
Vanguard Growth	VUG	11.0%	76.4	12.7%
AIM Constellation A (L)	CSTGX	12.6%	72.5	12.7%

October 2012 Funds. Top funds ranked by projected annual return (PAR).

Replacing IHI and WMW with VUG raises overall PAR by a full percentage point to 13.5% and growth by over one-half point to 11.6%. Quality also gets a small boost to 71.9 (from 69.6). Accumulating more VGT will also increase each of those portfolio design characteristics slightly.

A New Tool to Hone Our Search for Opportunity

We've long used a dashboard of sectors index funds, the ETF Sector GPS to help guide shopping for both funds and individual stocks. We've recently added yet another tool to help investors focus their shopping efforts where there is opportunity: the Fidelity Select Funds Dashboard.

That dashboard currently includes 22 of the 44 Fidelity "Select" group of funds. The Select funds are actively managed funds which focus on a specific sector, industry or sub-industry. Fidelity Select Insurance (FSPCX) and Fidelity Select Technology (FSPTX) are examples of members of that fund group currently held in the Hoard Portfolio (the latter, a sector fund, is not included in the new dashboard which we currently limit to industry/sub-industry funds, since the Sector GPS covers sector funds).

There are several potential uses for the dashboard.

One would be to find candidates for fine-tuning a mutual fund portfolio already stocked with core holdings by adding narrowly focused funds with current attractive potential. Currently five of the 22 funds exceed our goal of MIPAR+3. One of the five, Fidelity Select Automotive (FSAVX), isn't a technology-heavy fund as recent Fund Manifests have tended to be dominated by. Another

Company	Symbol	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qlty	PAR
Fidelity Select Comm Equip	FSDCX	10.0%	18.5	1.0%	73%	56	68.0	13.8%
Fidelity Select Computers	FDCPX	10.4%	15.9	0.8%	71%	49	65.5	13.0%
Fidelity Select Electronics	FSELX	8.5%	15.6	0.9%	73%	36	59.8	12.9%
Fidelity Select Automotive	FSAVX	5.8%	11.5	1.3%	48%	36	46.3	12.2%
Fidelity Select Software & Comp	FSCSX	12.7%	20.3	0.8%	92%	67	74.5	12.1%
Fidelity Select Brokerage	FSLBX	6.6%	13.2	1.9%	48%	48	49.2	10.9%
Fidelity Select Insurance	FSPCX	8.4%	11.6	1.4%	65%	55	58.0	10.6%
Fidelity Select Medical Delivery	FSHCX	7.0%	13.9	0.6%	80%	85	70.7	9.5%
Fidelity Select Transportation	FSRFX	6.6%	15.3	1.6%	67%	68	58.7	9.2%
Fidelity Select Leisure	FDLSX	8.8%	20.7	1.4%	67%	70	71.4	8.5%
Fidelity Select Industrial Equip	FSCGX	6.4%	14.3	2.0%	83%	75	69.9	8.3%
Fidelity Select IT Services	FBSOX	11.6%	17.2	0.6%	85%	71	72.8	7.9%
Fidelity Select	FSDCX							

Industry Select Dashboard Excerpt (10/2/2012). This collection of industry funds from Fidelity Select can be used to target attractive industry groups and to drill down for study opportunities.

would be to survey the holdings of one or more of the funds for candidates to start or include in industry studies.

Check it out and let us, and your fellow subscribers, know what you think on the Forum.



Dashboard: Hoard vs Herd												10/01/2012
Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qlty	PAR
T. Rowe Price Science & Technology	PRSCX	380.80	\$27.34	\$10,411.07	9.5%	13.9%	18.3	0.5%	77%	42	64.8	16.3%
PowerShares QQQ (Nasdaq-100)	QQQ	255.12	\$68.57	\$17,493.58	15.9%	13.4%	17.8	1.2%	90%	62	76.7	15.2%
Vanguard Technology	VGT	140.85	\$73.40	\$10,338.32	9.4%	12.6%	17.0	1.2%	95%	64	79.5	15.2%
Fidelity Select Technology	FSPTX	18.62	\$105.45	\$1,963.69	1.8%	15.3%	21.9	0.9%	92%	50	77.6	14.4%
iShares Dow Jones US Oil Equipment	IEZ	76.10	\$52.01	\$3,957.96	3.6%	10.6%	15.4	0.6%	68%	53	58.8	14.0%
Monetta	MONTX	737.18	\$14.87	\$10,961.82	10.0%	12.2%	17.2	0.9%	76%	46	67.7	12.9%
Vanguard Growth	VUG	123.55	\$72.40	\$8,945.02	8.2%	11.0%	16.5	1.6%	91%	70	76.4	12.7%
BLDRS Emerging Mkts 50 ADR	ADRE	227.49	\$39.21	\$8,919.88	8.1%	8.9%	13.7	2.0%	54%	67	63.6	12.2%
iShares Morningstar Large Growth Index	JKE	97.36	\$79.15	\$7,706.04	7.0%	11.3%	17.7	1.5%	90%	67	76.3	11.6%
Fidelity Select Insurance	FSPCX	39.42	\$51.39	\$2,026.00	1.8%	8.4%	11.6	1.5%	65%	55	58.0	10.9%
Market Vectors Coal ETF	KOL	80.40	\$23.36	\$1,878.21	1.7%	6.3%	13.6	1.7%	66%	62	58.7	10.6%
Vanguard FTSE All-World x-US	VEU	45.77	\$42.96	\$1,966.06	1.8%	4.0%	11.2	4.7%	64%	51	59.6	9.8%
First Trust ISE Chindia	FNI	101.08	\$20.38	\$2,059.97	1.9%	12.6%	17.9	1.2%	59%	50	63.9	9.6%
ELEMENTS M* Wide Moat Focus	WMW	1098.22	\$14.53	\$15,957.14	14.5%	8.2%	17.7	1.8%	74%	64	62.2	8.0%
iShares DJ US Medical Devices	IHI	74.35	\$68.75	\$5,111.56	4.7%	6.6%	17.8	0.7%	81%	77	69.7	7.3%
Averages				\$109,696.33		11.0%	16.9	1.3%	79%	60	69.6	12.5%

Hoard Dashboard. Our \$82,750 invested so far is now worth \$109,696. (10/2/2012) Vanguard Technology (VGT) and Nasdaq-100 (QQQ) continue as the best-performing active selections to date. <http://www.manifestinvesting.com/dashboards/public/hoard-vs-herd>

All Bulls Go To Octoberfest

This month's screening results continue to explore some of the concepts we're evaluating when it comes to blending elements of momentum, sentiment and trend as we search for opportunities.

Fundamentals First

Remaining true to the fundamentals and our time-honored process over the decades, we first concentrate on the core fundamentals of projected annual return (PAR) and quality. We use the MANIFEST Rank, an equally-weighted combination of the return forecast and quality rating to focus on the top companies seeking the best combination of both key characteristics while starting our shopping.

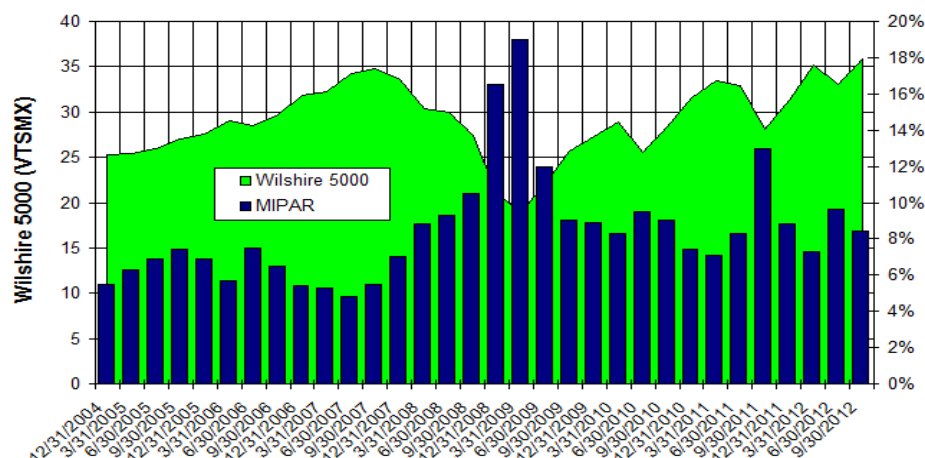
Sentiment (Trend) Matters

We're trying something a little differ-

ent this month. All of the companies in the surviving screen also have BULLISH trend characteristics per StockCharts.com and their Point-and-Figure trends. All of them. I tend to think of this condition as "positive price pressure, or support." So we're looking at a list with solid long-term

characteristics when it comes to potential returns (and quality) combined with the nudge of bullish sentiment -- according to price action -- and not merely some words, but potentially actionable actual transactions (decisions made) by the herd. Run with the bulls at Octoberfest. 🍷

Overall Projected Annual Returns
Manifest Investing Median PAR (MIPAR)



Company	Symbol	Industry	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Price	Quality	PAR
Apple Inc.	AAPL	Computer Systems	18.0%	17.0	1.3%	98%	40	\$667.11	84.6	21.2%
Landauer	LDR	Environmental	10.9%	22.0	4.8%	83%	96	\$59.72	87.3	20.4%
American Public Education*	APEI	Educational Services	15.5%	18.0	0.0%	95%	67	\$36.43	83.4	20.2%
Echo Global Logistic*	ECHO	Air Transport (Freight)	22.8%	24.0	0.0%	95%	99	\$17.15	78.9	19.9%
Coach	COH	Retail Special	12.5%	19.0	1.8%	91%	82	\$56.02	93.3	19.6%
Microsoft	MSFT	Software (Systems)	9.4%	13.0	2.5%	97%	88	\$29.76	76.7	19.2%
Cognizant Technology	CTSH	Software (Consulting)	19.6%	21.0	0.0%	98%	83	\$69.89	91.0	19.0%
Knight Transportation	KNX	Trucking	9.2%	20.0	1.4%	94%	81	\$14.30	79.9	18.8%
Rio Tinto	RIQ	Steel (General)	6.9%	9.0	2.0%	72%	50	\$46.76	68.5	17.9%
Teva Pharma	TEVA	Drug (Generic)	6.5%	11.0	2.0%	84%	88	\$41.41	73.1	17.4%
Kohl's	KSS	Retail Store	5.2%	15.0	1.8%	78%	93	\$51.22	74.5	17.2%
Bio-Reference Labs*	BRLI	Medical Services	16.8%	21.0	0.0%	88%	86	\$28.58	81.9	17.1%
Genpact*	G	Industrial Services	17.1%	18.0	0.0%	97%	41	\$16.68	84.4	17.1%
Tupperware	TUP	Household Products	8.8%	15.0	1.9%	76%	78	\$53.59	75.2	16.7%
Forward Air Corp.	FWRD	Trucking	9.2%	19.0	0.8%	88%	61	\$30.41	73.8	16.1%
SolarWinds*	SWI	Software (Application)	26.3%	36.0	0.0%	97%	86	\$55.74	95.8	15.5%

Sweet 16 Screening Result for October 2012. A focus on fundamentals first, then sentiment. **PAR:** Return forecast (annualized) **Quality Rating:** Proprietary factor including financial strength, earnings stability and relative growth and profitability characteristics. (Source: www.stockcharts.com)



Tin Cup Model Portfolio

Accumulate Cisco Systems (CSCO)

Total assets are \$986,539 (9/30/12) and the net asset value is \$223.75. The model portfolio gained 1.90% during September 2012 (Wilshire 5000 checked in at +2.86% for the month.) Tin Cup has generated a +2.1% annualized total return over the trailing five years vs. +1.5% for the total stock market for a trailing 5-year relative return of +0.6%.

Portfolio Characteristics

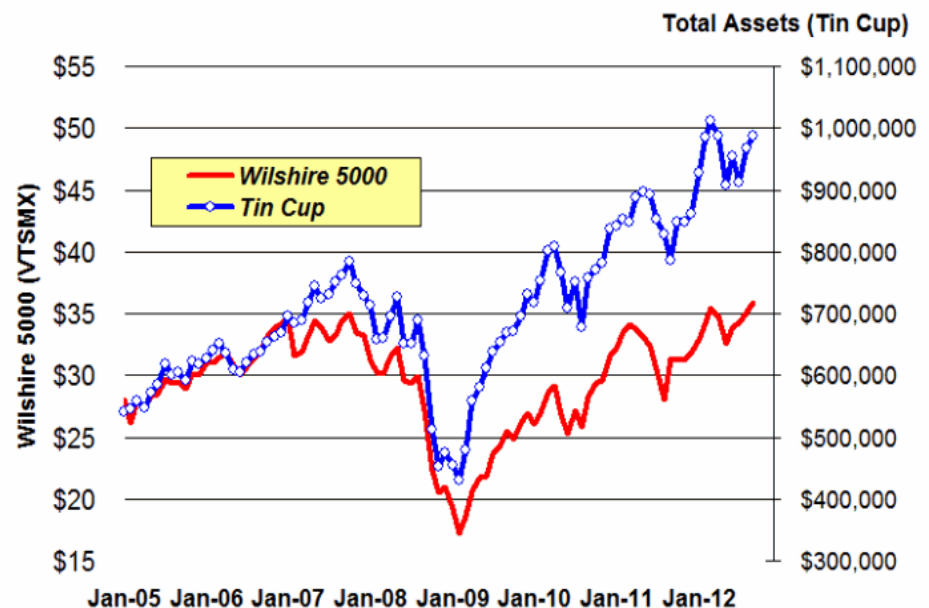
With MIPAR at 8.4%, our target for the minimum overall portfolio PAR is at least 13.4%. The overall portfolio PAR is 14.9% on 9/30/2012. Quality and financial strength are sufficient at the current levels of 81.7 (Excellent) and 91%. EPS Stability is 86 for the portfolio. Sales growth is acceptable at 10.6%.

Decisions

Our \$1875 (and dividend stockpile) for October is destined and allocated to Cisco Systems (CSCO) situated at the upper edge of the sweet spot. CSCO has a PAR of 17.6% based on a sales growth forecast of 8.3%, net margin of 20.0% and a projected average P/E of 15.0x.



Benchmarking Tin Cup (2005-2012)
Total Assets vs. Market



Million Dollar Moment(s). We've had three of them so far as Tin Cup first passed \$1,000,000 a few months ago and has recently been toggling/teetering sufficiently close enough to the 7-figure threshold that it's becoming a regular occurrence. Since we celebrate with "ice cream all around" we're not exactly complaining. And there's little or no truth to the rumors about Kurt and Charlie encouraging stock price manipulation to keep that ice cream bubble, well... bubbling. We're ready now to focus on \$2,000,000 and leave \$1,000,000 in the rear view mirror, Tin Cup.

Company	Symbol	Shares	Price	Value	% of Total	Growth	Proj P/E	Proj Yield	Fin Str	EPS Stab	Qlty	PAR
Mercadolibre*	MELI	450.00	\$82.55	\$37,147.50	3.8%	27.4%	35.0	0.0%	84%	43	81.8	24.0%
Quality Systems	QSII	2000.00	\$18.53	\$37,060.00	3.8%	13.2%	20.0	1.6%	71%	77	70.4	20.8%
Strayer Education	STRA	420.00	\$64.35	\$27,027.00	2.7%	5.0%	15.0	2.6%	66%	83	68.9	20.7%
Coach	COH	1080.00	\$56.02	\$60,501.60	6.1%	12.5%	19.0	1.8%	91%	82	93.3	19.6%
Microsoft	MSFT	3350.00	\$29.76	\$99,696.00	10.1%	9.4%	13.0	2.5%	97%	88	76.7	19.2%
Cisco Systems	CSCO	3950.00	\$19.10	\$75,425.25	7.6%	8.3%	15.0	1.3%	93%	88	84.0	17.6%
Bio-Reference Labs*	BRLI	2300.00	\$28.58	\$65,734.00	6.7%	16.8%	21.0	0.0%	88%	86	81.9	17.1%
SolarWinds*	SWI	990.00	\$55.74	\$55,182.60	5.6%	26.3%	36.0	0.0%	97%	86	95.8	15.5%
CVS Caremark	CVS	1650.00	\$48.42	\$79,893.00	8.1%	7.5%	15.4	1.7%	86%	95	80.7	14.1%
Linear Technology	LLTC	2200.00	\$31.82	\$70,004.00	7.1%	7.8%	18.0	2.1%	73%	70	70.4	14.0%
Urban Outfitters	URBN	2125.00	\$37.56	\$79,815.00	8.1%	10.9%	22.0	0.0%	96%	74	88.8	12.2%
Pepsi	PEP	900.00	\$70.77	\$63,693.00	6.5%	4.6%	18.0	2.0%	98%	96	74.8	11.1%
Abbott Labs	ABT	1400.00	\$68.56	\$95,984.00	9.7%	8.3%	14.0	2.6%	96%	99	81.2	10.7%
Stryker	SYK	1540.00	\$55.66	\$85,716.40	8.7%	7.5%	15.0	0.8%	99%	97	86.7	10.3%
Medtronic	MDT	1200.00	\$43.12	\$51,744.00	5.2%	3.2%	13.0	2.0%	97%	99	80.3	7.5%
Cash				\$1,916.00	0.2%			0.1%				0.1%
Averages				\$986,539.35		10.6%	18.4	1.4%	91%	86	81.7	14.9%

Tin Cup Dashboard: September 30, 2012. The holdings are ranked by PAR (last column on the right.) We accumulate Cisco Systems (CSCO) based on PAR, quality and %-of-total assets. <http://www.manifestinvesting.com/dashboards/public/tin-cup>

Honoring Walter Schloss

We agree. We respect the achievers all around us. As a case in point, the relative return (alpha) of our quarterly summary of the (40) most widely-followed companies by MANIFEST subscribers (shown here) is +4.9%.

We believe in the wisdom of communities and our experience has been that this is a place where ideas are born.

13. "Try not to let your emotions affect your judgment. Fear and greed are probably the worst emotions to have in connection with the purchase and sale of stocks."

Incomparable advice. We believe that the comprehension of return forecasts (PAR) based on the major milestone judgments (growth, profitability and valuation) and quality enable patience and discipline.

14. "Remember the word compounding. For example, if you can make 12% a year and reinvest the money back, you will double your money in 6 yrs, taxes excluded. Remember the rule of 72. Your rate of return into 72 will tell you the number of years to double your money."

Stay invested. That doesn't mean stay 100% in stocks at all times. It is OK, highly desirable, to hold cash equivalents for as long as it takes to shop. Near market tops, we think selectivity is important and opportunities should become more scarce.

Incremental impact matters. Using the +4.9% relative return of the MANIFEST 40 as an example. \$100

MANIFEST 40 9/10/2012		Ticker	# Dashboards	Sales Growth	PAR	Quality Rating
1	Apple (2)	AAPL	1894	18.0%	20.4%	84.6
2	Stryker (1)	SYK	1865	7.5%	10.8%	86.7
3	Abbott Labs (3)	ABT	1552	8.3%	11.3%	81.2
4	Microsoft (4)	MSFT	1441	9.4%	18.2%	76.7
5	AFLAC (6)	AFL	1396	10.7%	17.1%	79.8
6	Teva Pharmaceutical (5)	TEVA	1385	6.5%	19.9%	66.5
7	Bio-Reference Labs (7)	BRLI	1351	16.8%	18.0%	81.9
8	Quality Systems (9)	QSII	1285	12.7%	23.6%	68.6
9	Johnson & Johnson (8)	JNJ	1241	4.4%	7.5%	74.1
10	Cognizant Technology (10)	CTSH	1201	19.6%	18.6%	90.9
11	PepsiCo (12)	PEP	1186	4.6%	10.7%	74.8
12	Cisco Systems (13)	CSCO	1158	8.3%	15.8%	82.8
13	Walgreens (11)	WAG	1151	5.6%	14.7%	76.6
14	Oracle Corp (16)	ORCL	1107	13.4%	17.3%	84.3
15	Fastenal (15)	FAST	1092	12.4%	9.9%	83.4
16	General Electric (14)	GE	1091	3.6%	10.1%	67.6
17	FactSet Research (17)	FDS	1026	12.4%	13.5%	89.3
18	Coach (18)	COH	986	12.5%	17.2%	93.2
19	Exxon Mobil (20)	XOM	958	7.1%	9.7%	75.5
20	Procter & Gamble (19)	PG	955	3.8%	8.5%	80.9
21	Medtronic (21)	MDT	917	3.2%	8.2%	80.2
22	Intel Corp (23)	INTC	877	6.7%	13.7%	73.6
23	Google (22)	GOOG	866	18.9%	14.2%	77.9
24	Buffalo Wild Wings (24)	BWLD	779	13.0%	8.7%	87.0
25	Danaher (25)	DHR	717	9.9%	10.8%	83.2
26	Wal-Mart (26)	WMT	665	5.5%	11.1%	74.2
27	McDonald's (28)	MCD	637	5.6%	8.6%	84.5
28	Wells Fargo (29)	WFC	626	7.3%	9.1%	68.3
29	Portfolio Recovery (27)	PRAA	622	10.6%	5.5%	75.5
30	Resmed (39)	RMD	585	12.3%	12.0%	81.4
31	Pfizer (31)	PFE	584	3.5%	1.7%	55.2
32	Varian Medical (34)	VAR	583	8.9%	13.3%	75.2
33	Chevron (36)	CVX	582	8.0%	10.1%	75.1
34	Infosys Tech (30)	INFY	574	13.8%	20.0%	86.4
35	Lowe's (33)	LOW	566	2.9%	10.3%	59.2
36	3M Company (38)	MMM	565	6.5%	8.8%	85.1
37	CVS Caremark (37)	CVS	560	7.5%	14.3%	82.2
38	Sysco Foods (40)	SYF	518	5.3%	10.3%	80.6
39	Gilead Sciences (35)	GILD	514	5.7%	7.9%	65.7
40	Strayer Education (*)	STRA	499	5.0%	20.3%	68.9
Averages				8.9%	12.8%	78.0

MANIFEST 40: September 2012. Our quarterly summary of the (40) most widely-followed stocks by Manifest Investing subscribers. Apple (AAPL) finished its ascent up the list, dislodging Stryker (SYK) from the pole position. The outperformance accuracy of the MANIFEST 40 is 69% with an overall relative return (alpha) of +4.9%.


invested for 40 years at 8.0% attains a value of \$2172. Achieving 12.9% over that same 40 years turns \$100 into \$12,816. Every percentage point increment matters. Big.

15. "Prefer stocks over bonds. Bonds will limit your gains and inflation will reduce your purchasing power."

True. But carefully consider balanced

investing and asset allocation when you're ready.

16. "Be careful of leverage. It can go against you."

Two words. Great Recession. What was so great about it? Speaking of great ... Thanks, Walter Schloss, for these 16 nuggets. He showed us that superior performance is possible and told us how to do it. 

Contact Us

You may write us at Manifest Investing LLC, P.O. Box 81120, Rochester MI 48308. If you prefer e-mail, contact us at manifest@manifestinvesting.com. Every effort will be made to answer your questions individually. Your inquiries, comments and recommendations tell us what you want to see and we'll do our best to provide it.

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