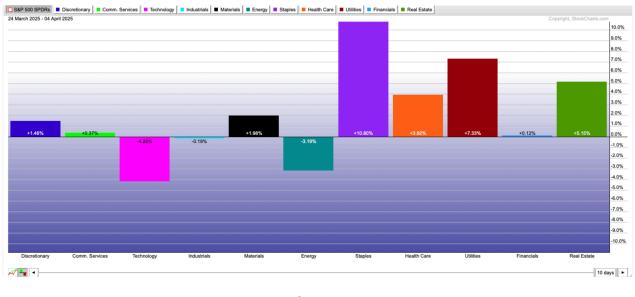
How I found the stocks we are studying -

My first step is to look at Relative Strength (RS) at <u>www.stockcharts.com</u> Here I compare the S&P 500 (SPY) to the eleven sectors that make up the market. I noticed that the Consumer Staples sector (XLP) had outperformed SPY over a recent timeframe.



Caption

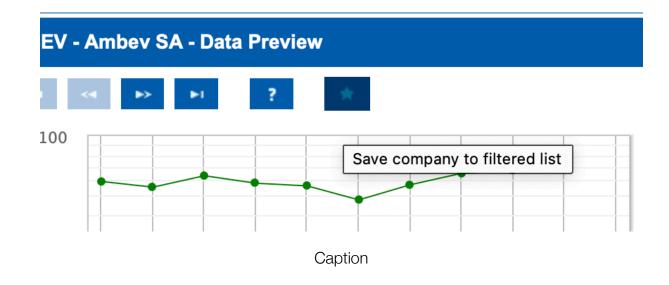
Consumer Staples Sector is made up of different Industries, one of which is Brewers, which has been near the top in performance again over a recent timeframe.

Moving to the screening tool at the BetterInvesting website, I can search for all stocks in the Consumer Defensive Sector. BI calls it Consumer Defensive, stockcharts calls it Consumer Staples. Once I select Consumer Defensive, I click on the Search button, then click on the Industry heading to sort by Industry.

Search Criteria					Predefined Screens						Ticker Heat Map				
9 Yr Sales Growth (%):		Any		(		Quality			?		AAPL	MSFT	Technology ACRE	AND	D ANET
9 Yr Earnings	Growth (%):	Any		(			Value								
5 Yr EPS R-sq	uared:	Any		- (			value		?				ASML	AVGO ENF	H FLT
Size:		Small	Medium	Large			Quality + Dividend Yield		?		NVDA	FINT	5005		WD MP
Sector:		Consumer D	Vefensive				Small Company		?			TSM	CLFD		orc I
Dividend Yield		Any					Roster of Quality		?			UNH	Healthcare		VETX
Pre-Tax Profit		Up	Even	Down			A-List Stocks		?		~	UNH	PES	DHR MR	
Return on Equ	ity Trend:	Up	Even	Down							INMD	ADUS	ew		
Morningstar G	rowth Grade:	Any	Anu			Looking for more in-depth screening? Check out				INMD	MEDP		VEEV BRO	см т 215 з	
Morningstar Profit. Grade:		Any 3				MyStockProspector.com								~	
Morningstar Financial Health:		Any			-			ector			A reso	urce of s	tock idea	s base	d on
PE / Historical EPS Growth:						tered List					top 10	) studies	s created	by mer	nber
		Any			-	_	-					the	last 90 da	ays.	
Traded Exchange:		US Exchang					Show Filtered Companies	s	?						
		Search مر	Rese	t Criteria			Clear Filtered List	t							
Results															
Show 100 🕃	entries E			port as CSV	1						Search all columns:				
Actions	Company		\$	Ticker 🗘	Sector	٥	Industry	•	Size 🗘	Sales Growth (%)	Earni Grow	ngs th (%)	EPS R2	Curre P/E	nt ç
e e	Ambev SA			ABEV	Consun	er Defensive	Beverages - Brewers		L	1.7	-2.7		0.66	13.7	
e e	Anhausan Dunch InD	Anheuser-Busch InBev SA/NV			UD Consumer		Nefensive Beverages - Brewers		L	2.9	-3.2		0.52	20.9	

Caption

I click on the Clear Filtered List tab, and then I add all companies in this Industry to the Filtered List. This is easy to do by clicking on the Preview Data button on the left-hand side of the screen, and then clicking on the Star.



What I am doing is an Industry Study by adding all companies to my Filtered List. Once all 37 companies are selected, I click on Show Filtered Companies and sort this list by size. Large-size companies (> 10B in annual sales) are expected to have annual growth rates between 5 to 8%; mid-size companies (1B to 10B in annual sales) are expected to have annual growth rates between 8 to 12%; small-size companies (< 10B in annual sales) are expected to have annual growth rates setween 8 to 12%; small-size companies (< 10B in annual sales) are expected to have annual growth rates 12% or more. I remove from my Filtered List those companies whose annual sales growth does not match expectations. To remove a company, click on the Preview Data button again and click on the yellow pin. I show Show Filtered Companies again and I see only 21 companies are now on my list. Again, I sort by size and repeat the process for EPS, removing those not meeting expectations. Now I am down to just six companies.

I can do a rough SSG on these six companies. Two more companies are removed because of this, leaving me with four companies to study in greater depth: CCEP, PEP, COKE, MNST.

Stay tuned for our pick of the 2nd quarter. - Barry

PS. If you have questions about the above method you can always email me at detlo001@umn.edu