SHAREHOLDER YIELD Letter

16 May 2023, Vol. 1 / No. 1

Portfolio Changes	
HP Inc.	Buy
Marathon Oil Corporation	Buy
Whitehaven Coal Limited	Buy

(Details of the stop-loss system on the Investment Strategy page)

Markets above 200-day SMA	
MSCI World	Yes

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Dear Fellow Investor

Welcome to the first issue of the Shareholder Yield Letter! In this issue you can read **how this newsletter can help you get higher returns.**

But first the portfolio changes.

Portfolio Changes

Buy Three

Three new recommendations this month as the index is above its 200-day simple moving average.

The first is a **US-based IT storage and peripherals company** with a shareholder yield of 12.8%, share buybacks of 9.3%, and **pays a dividend yield of 3.5%**.

The second is a **US-based oil exploration and production company** with a shareholder yield of 15.5%, share buybacks of 13.8%, and **pays a dividend yield of 1.7%**.

The third is an **Australia-based company engaged in the production of coal** with a shareholder yield of 21.2%, share buybacks of 10.8%, and **pays a dividend yield of 10.4%**.

What this newsletter does for you

Before I tell you exactly what you can expect from the Shareholder Yield Letter, I want to take you back in time to tell you **how it started.**

It started with a simple question:

> *"I really like the Quant Value newsletter, but it is **REALLY hard to buy the companies!"***

This was comment we got the most about our other newsletter.

Subscribers loved the strategy of buying small, undervalued quality companies worldwide but **there was a problem.**

Few brokers offered all the companies as some had a market value under $100 million in markets like Japan, Singapore, and Hong Kong.

Looking for a great large cap strategy

With this in mind, we set out looking for an **easy to implement large cap investment strategy** with a **market beating track record.**

You know large cap stocks are researched by most fund managers, so it is **not easy to find a strategy** that beats the market.

We knew it was not going to be easy, but we kept on looking and testing.

Stumbled onto Shareholder Yield

When we first heard of the Shareholder Yield, **we were not impressed.**

It was a large cap strategy based on such a **simple idea we did not believe it will work.**

As you may know the idea behind shareholder yield is to **buy the companies that returned to most cash to shareholders**. The return is measured as **dividends plus share buybacks.**

We kept on seeing great returns

The more we searched the more we saw research by well-known investors saying that **even they were surprised about the strategy.**

The strategy was so good that James O'Shaughnessy did an **80 year back test and found that it had a 97% chance of outperforming the market.**

We were impressed! (**Remember** less than half of all fund managers outperform the market)

Show me any other strategy like that.

Here is a summary of that back test:

Base Rates vs. All Large Stocks (1927–2009)
Highest-Yielding Decile of Shareholder Yield in Large Stocks

Rolling Time Period		Won	Lost	Base Rate	Avg. Annual Excess (%)
Single-year:	*1-Year*	658	327	67%	3.29
Compound:	*3-Year*	777	184	81%	3.24
	5-Year	843	94	90%	3.33
	7-Year	869	44	95%	3.42
	10-Year	855	22	97%	3.41

*Source: 7 Traits for Investing Greatness by Jim O'Shaughnessy (**80-year (1927–2009) back test** of the shareholder yield investment strategy)*

The idea started forming

After reading that, an idea started forming.

In order to give the strategy an **even greater chance of beating the market** what if we use it on a great group of companies – investment universe – that **already has a high chance of outperforming the market**.

We remembered the **Market Leaders investment universe** that James O'Shaughnessy developed and tested in his terrific book ***What Works on Wall Street***.

Market Leaders are large companies on steroids

Market leaders are **large cap companies on steroids**. James defined them as non-utility companies with larger than average:

- Market value
- Number of shares outstanding
- Free Cash flow and
- Sales above 1.5 times the average of the universe

We of course tested it

After we came up with the idea, we tested it to see if it really works.

So, we tested the **Shareholder Yield** investment strategy, applied to the **Market Leaders** investment universe, to see if it really works.

And the results left us amazed to say the least!

Here is a brief summary:

Period	Top 25 Shareholder Yield	MSCI World
2015-12-07 2016-12-07	23.4%	3.7%
2016-12-07 2017-12-07	19.6%	18.0%
2017-12-07 2018-12-07	0.6%	-4.8%
2018-12-07 2019-12-06	21.1%	16.9%
2019-12-06 2020-12-04	12.1%	14.9%
2020-12-04 2021-11-19	22.8%	22.0%
2021-11-19 2022-12-29	-6.0%	-18.9%
Average Return	**13.4%**	**7.4%**
Total Return	**133.0%**	**54.8%**
CAGR	12.7%	6.4%
Growth of 100	233.0	154.8
Standard Deviation	11.7%	14.9%
Average Dividend Yield	6.0%	
Average Market Value	45,797	Euro million
Average Daily Traded Value	198	Euro million

Comments on the above chart

#1 Only 1 negative year

As you can see there was **only one negative year** and it was a **LOT less than the index**, which had two negative years.

#2 High dividend yield of 6%

The average dividend yield of the strategy 6%, so it is **also an incredibly good income strategy. For your retirement perhaps?**

#3 Average market value €45.8 billion or $50 billion

The average **company size was massive**, over €45 billion ($50 billion). This **makes the companies extremely easy to buy** also with your current broker and even in **your tax-free account**.

#4 Average traded value €200 million or $210 million

The daily traded value was also huge, **just under $200m per day.** This means **easy, fast order execution** with a low bid-offer spread. No more limit adjustments as the price runs away or expensive orders executed over days.

What you can expect from the Shareholder Yield Letter

We want this newsletter to give you **great returns while taking up as little of your time** as possible.

Each month we give you **only the information you need** to quickly build up a diversified, high performance, large cap, investment portfolio.

We will not waste your time

The **newsletter will not waste your time** telling you what the market has done, or what it is going to do - nobody knows that.

The newsletter simply **gives you the most essential information you need** – what to buy and sell.

All you must do is log into your brokerage account (or call your broker) and **follow the easy-to-follow instructions** - they are all on the first page.

This means managing your own successful portfolio will not take more than **half an hour per month.**

The stop-loss system REALLY keeps your losses low

Worried about losses?

Don't be, the newsletter follows a **STRICT trailing stop loss system** that **automatically gets you out of losing investments** while letting your winners run.

This gives you great returns, while keeping your losses low.

Stop buying when markets are falling

Losses are **also kept low because the newsletter stops buying when markets are falling.** This may sound simple but **hardly anyone does this.**

Results have been great

Here are some of **the best yearly returns from the above back test.**

We know they are past returns you cannot profit from, but **it gives you an idea of returns and the type of companies** the strategy comes up with:

- BHP Billiton plc 78.0%
- Wm. Morrison Supermarkets plc 54.4%
- The Boeing Company 82.9%
- Qantas Airways Limited 63.3%
- CenturyLink, Inc. 23.9%
- Pearson plc 23.8%
- Applied Materials, Inc. 68.3%
- Celgene Corporation 54.5%
- QUALCOMM Incorporated 88.1%
- Royal Mail plc 51.7%
- Oracle Corporation 56.7%
- Bank of America Corporation 55.0%
- BHP Group 42.5%
- Fortescue Metals Group Limited 40.4%

Not always right

There were also ideas that have not done well (**you know that you cannot win them all**) but they have been far in the minority.

Only thing left for you to do

We have showed you exactly **why and how the Shareholder Yield Letter outperforms the market,** the only thing you must do to **get this market beating strategy working in your portfolio** is to take two minutes and subscribe.

To do this **click the button below.**

It costs less than an inexpensive lunch for two and **if you do not like it, you get your money back – no questions asked.**

AND you if you **sign up for a yearly subscription before Sunday 21 May 2023 you save a further 25% or €70 (just over $75)**! Simply **enter the coupon code: SHY-25Deal** in the Coupon Code text box!

I want to sign up!

Looking forward to welcoming you on board!

Tim du Toit

Head Analyst

PS It is so easy to put things off and forget, so why not **sign up right now** while it is still fresh in your mind.

P.P.S. Here is information that can help you get the most from your subscription

How we find ideas for the Shareholder Yield investment newsletter.

Shareholder Yield Letter's Investment Strategy

Source: Google Finance

Executive Summary	
Recommendation	Buy
Recent Price	USD 28.90
Security No. (ISIN)	US40434L1052
Market Cap	USD 28.5 billion
Company Location	United States
Main Exchange	NYSE
Average daily volume (last 10 days)	7.3 million
52-week range	USD 24.08 to 40.79
Fiscal year end	October
Suggested portfolio weighting	2%

Source: Financial Times, www.marketscreener.com and company website

Description

HP Inc. (HP) is a global provider of personal computing and other access devices, imaging and printing products, and related technologies, solutions and services to individual consumers, small- and medium-sized businesses (SMBs) and large enterprises, including customers in the government, health and education sectors.

The company operates through the below business segments:

- Personal Systems (70.0% of FY2021/22 sales) - This segment offers commercial and consumer desktop and notebook personal computers (PCs), workstations, thin clients, commercial mobility devices, retail point-of-sale (POS) systems, displays and peripherals, software, support and services.
- Printing (30.0% of FY2021/22 sales) - This segment provides consumer and commercial printer hardware, supplies, services and solutions. This segment is also focused on graphics and three-dimensional (3D) imaging solutions in the commercial and industrial markets.

Acquisitions and Divestitures:

In August 2022, HP announced the completion of its acquisition of Poly, a leading global provider of workplace collaboration solutions.

The deal is expected to accelerate HP's strategy to create a more growth-oriented portfolio, further strengthen its industry opportunity in hybrid work solutions, and position the combined organization for long-term sustainable growth and value creation.

HP announced that it expected the transaction, first announced in March 2022, to be accretive to revenue, non-GAAP operating profit and non-GAAP EPS in FY23 post-merger.

The deal was completed at an all-cash transaction of $40 per share, implying a total enterprise value of approximately $3.3 billion, inclusive of Poly's net debt.

The transaction was financed through a combination of balance sheet cash and new debt.

Share Buyback Programs

HP's share repurchase program authorizes both open market and private repurchase transactions.

During the three months ended 31 January 2023, the company executed share repurchases of 3.6 million shares and settled total shares for USD 0.1 billion.

In 2022, HP utilized USD 4.3 billion of cash to repurchase approximately 126 million shares of common stock in the open market.

In 2021, the company utilized USD 6.2 billion of cash to repurchase approximately 224 million shares of common stock in the open market.

As of 31 January 2023, HP had approximately $2.0 billion remaining under the share repurchase authorizations approved by HP's Board of Directors.

Dividend Policy:

HP has a dividend policy in place and pays a quarterly dividend to its shareholders.

The company has also been regularly increasing its dividends consistent with its previously stated objective to increase the dividend at least in-line with sales growth over time.

Below table shows the dividend history of HP over the last two-year period.

Valuation Metrics	
Shareholder Yield	12.8%
Dividend Yield	3.5%
Share Buybacks	9.3%

Based on trailing 12-month results

Fiscal 2023 Plan

In November 2022, HP's Board of Directors approved the Fiscal 2023 Plan intended to enable digital transformation, portfolio optimization and operational efficiency which the HP expects will be implemented through fiscal 2025.

As part of this plan, the company expects to reduce global headcount by approximately 4,000 to 6,000 employees, and estimates that it will incur pre-tax charges of approximately $1.0 billion relating to labour and non-labour actions.

The company mentioned that it expects to incur approximately $0.7 billion primarily in labour costs related to workforce reductions and the remaining costs will relate to non-labour actions and other charges.

Recent results

For the three months ended 31 January 2023, the company reported GAAP sales of USD 13.8 billion, down 18.8% from USD 17.0 billion during the prior year period impacted by demand softness across Personal Systems and Supplies as well as foreign currency impacts, partially offset by an increase in commercial printing.

GAAP Sales from US declined 16.1% to USD 4.7 billion, while international operations reported a 20.1% decline in sales to USD 9.1 billion.

GAAP operating income amounted to USD 765 million, down 43.7% from USD 1,359 million during the same period in 2022 reflecting the decline in sales as well as due to an increase in operating expenses as a percentage of sales.

GAAP net income declined 55.2% to USD 487 million from USD 1,086 million, the previous year due to a 134.4% increase in interest expense borrowings to USD 143 million from USD 61 million.

As a result, GAAP diluted earnings per share declined 51.0% to USD 0.49 from USD 1.00.

Non-GAAP net income (excl. mainly restructuring costs) was down 38% to USD 0.7 billion from USD 1.2 billion, while non-GAAP diluted earnings per share declined 32% to USD 0.75 from USD 1.10.

Outlook

For the full year ended 31 October 2023, the company has given the below outlook.

- GAAP diluted net EPS to be in the range of USD 2.22 to USD 2.62 (FY2022: USD 3.05).

- Non-GAAP diluted net EPS to be in the range of USD 3.20 to USD 3.60 (FY2022: USD 4.08); and
- Free cash flow in the range of USD 3.0 to USD 3.5 billion (FY2022: USD 3.9 billion).

Further Reading

Company Website
Investor Relations
Annual Reports
Financial Times Summary

Source: Google Finance

Executive Summary	
Recommendation	Buy
Recent Price	USD 22.39
Security No. (ISIN)	US5658491064
Market Cap	USD 13.8 billion
Company Location	United States
Main Exchange	NYSE
Average daily volume (last 10 days)	8.4 million
52-week range	USD 19.42 to 33.42
Fiscal year end	December
Suggested portfolio weighting	2%

Source: Financial Times, www.marketscreener.com and company website

Description

Marathon Oil Corporation (Marathon Oil) is an American multinational energy corporation headquartered in Houston, Texas whose primary business is exploration, production, and marketing of crude oil and natural gas.

The company is focused on the United States resource plays, which includes the Eagle Ford in Texas, the Bakken in North Dakota, Sooner Trend Anadarko Basin Canadian and Kingfisher Counties (STACK) and South-Central Oklahoma Oil Province (SCOOP) in Oklahoma and Permian in New Mexico and Texas.

Marathon Oil operates through two segments:

- United States (96.4% of FY2022 sales) - This segment explores, produces, and markets crude oil and condensate, natural gas liquids (NGLs) and natural gas in the United States.
- International (3.6% of FY2022 sales) - This segment explores, produces, and markets crude oil and condensate, NGLs and natural gas outside of the United States, as well as produces and markets products manufactured from natural gas, such as liquefied natural gas (LNG) and methanol, in Equatorial Guinea (E.G.).

Its subsidiaries include Alba Associates LLC, Alba Equatorial Guinea Partnership, L.P., Alba Plant LLC and AMPCO Marketing, L.L.C.

Acquisitions and Divestitures

In December 2022, the company completed a transaction to acquire approximately 130,000 net proved and unproved acres, with an average 97% working interest, from Ensign Natural Resources (Ensign), US-based private equity backed exploration and production company for cash consideration of SD 3.0 billion, which was subject to customary closing adjustments.

The acquired acreage nearly doubled the company's net acreage position in Eagle Ford, increasing its inventory of undrilled locations.

Share Buyback Programs

In January 2006, Marathon Oil announced a USD 2 billion share repurchase program.

The company's Board of Directors subsequently increased the authorization for repurchases under the program on multiple occasions, as detailed below, resulting in a cumulative authorization of USD 11.8 billion.

The individual increases in the authorized share repurchase program were: USD 500 million in January 2007; USD 500 million in May 2007; USD 2 billion in July 2007; USD 1.2 billion in December 2013; USD 950 million in July 2019; USD 1.4 billion in November 2021; USD 1.4 billion in May 2022; and USD 1.8 billion in November 2022.

As of 31 March 2023, the company had repurchased 362 million common shares at a cost of approximately USD 9.6 billion, excluding transaction fees and commissions, and has approximately USD 2.1 billion of authorization remaining under the share repurchase program.

Dividend Policy

Marathon Oil Corporation has a consistent dividend policy, and the company has also been increasing its dividend pay-out consistently.

In January 2023, Marathon Oil announced that the company's board of directors has declared a dividend of 10 cents per share on Marathon Oil Corporation common stock. The dividend is payable on 10 March 2023 to stockholders of record on 15 February 2023.

According to Mr Lee Tillman, Chairman, President and CEO, this 11% base dividend increase is fully supported by the incremental cash flow generation capacity from the company's recent acquisition of the Eagle Ford assets of Ensign and marks the seventh increase to the company's base dividend in the last two years, representing a cumulative increase of over 230% since the beginning of 2021, fully consistent with the strength of the company's portfolio and its commitment to pay a competitive and sustainable base dividend to its shareholders.

In 2022, Marathon Oil paid USD 220 million of dividends, or USD 0.32 per share, compared to dividends paid of USD 141 million, or USD 0.18 per share in 2021.

Valuation Metrics	
Shareholder Yield	15.5%
Dividend Yield	1.7%
Share Buybacks	13.8%

Recent results

For the three months ended 31 March 2023, sales from contracts with customers declined 11.0% to USD 1,567 million from USD 1,761 million, the previous year primarily as a result of lower realized commodity prices, partially offset by increased sales.

Sales, including other income, declined 4.2% to USD 1,680 million from USD 1,753 million, the previous year. The company reported a net gain of USD 15 million on commodity derivatives compared to a net loss of USD 143 million during the same period last year, which increased income by USD 158 million.

Operating income amounted to USD 605 million, down 24.8% from USD 805 million, the previous year due to an increase in production expenses, primarily as a result of the company's acquisition of the Eagle Ford assets of Ensign in December 2022 and inflationary pressures when compared to the first quarter of 2022.

Depreciation, depletion and amortization (DD&A) increased USD 97 million in the first quarter of 2023 primarily as a result of higher production volumes. In addition, the DD&A rate is impacted by capitalized costs and the sales volume mix between fields.

Net income declined 68.0% to USD 417 million from USD 1,304 million, the decrease largely attributable to the partial release of a valuation allowance on certain U.S. and state deferred tax assets in the first quarter of 2022, which resulted in a non-cash deferred tax benefit of USD 685 million.

As a result, diluted earnings per share declined 62.9% to USD 0.66 from USD 1.78.

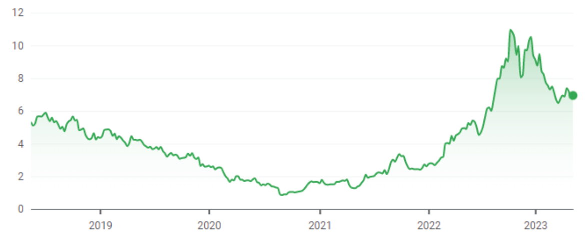
Outlook

In February 2023, Marathon Oil announced a 2023 capital budget of USD 1.9 billion to USD 2.0 billion that prioritizes free cash flow generation over production growth, in line with the company's disciplined capital allocation framework.

Approximately 60% of the 2023 capital budget is weighted to the first half of the year.

Further Reading

Company Website
Investor Relations
Annual Reports
Financial Times Summary



Source: Google Finance

Executive Summary	
Recommendation	Buy
Recent Price	AUD 6.94
Security No. (ISIN)	AU000000WHC8
Market Cap	AUD 6.1 billion
Company Location	Australia
Main Exchange	Australia
Average daily volume (last 10 days)	6.4 million
52-week range	AUD 4.39 to 11.04
Fiscal year end	June
Suggested portfolio weighting	2%

Source: Financial Times, www.marketscreener.com and company website

Description

Whitehaven Coal Ltd (Whitehaven) is an Australia-based company engaged in the production of coal and is focused on the development and operation of coal mines in New South Wales and Queensland.

The company has three reportable segments:

- Open cut operations (70.0% of FY2021/22sales).
- Underground operations (19.4% of FY2021/22 sales).
- Coal trading and blending (10.0% of FY2021/22 sales) - This segment has been added in FY22 to capture the performance of 3rd party coal purchases and sales as well as the benefits the company enjoys from blending different coal qualities from its mines in such a way that the final sale price achieved for the blended coal is greater; and
- Unallocated operations (0.6% of FY2021/22 sales) - This represents the development projects and those functions that are not specifically related to the other segments.

Whitehaven operates four mines, three open cut and one underground, in the Gunnedah Coal Basin in Northwest New South Wales, producing metallurgical and thermal coal for export to developing economies across North and Southeast Asia.

The company also operates two development assets, Vickery, near Gunnedah, and Winchester South, in Queensland's Bowen Basin.

Acquisitions and Divestitures

In October 2021, the company entered into an agreement to acquire the 1% private royalty over the Narrabri Coal mine held by Anglo Pacific Group PLC (APG) with effect from 31 December 2021.

The transaction provides Whitehaven greater exposure to buoyant coal prices by effectively capping its royalty expense at USD 26.6 million plus contingent revenue participation payments. Payments under the revenue participation structure will be largely self-funding.

The acquisition consideration is comprised of three components to be paid in instalments over five years. An amount of USD 4.4 million was paid on 31 December 2021 upon completion of the agreement.

Whitehaven, had in August 2019, increased its stake in the Narrabri mine by acquiring EDF Trading Australia (EDF) for USD 72 million.

EDF owned a 7.5% interest in the Whitehaven-operated Narrabri operation, and Whitehaven's interest increased to 77.5% following the completion of the agreement. The total consideration of the acquisition was USD 72 million, with USD 17 million payable on completion and the remaining USD 55 million payable over five years.

Share Buyback Programs

Following the announcement of a 10% on-market share buyback in February 2022, 76.37 million shares (or ~7% of the issued share capital) were bought back by the company in the second half of the fiscal year 2022 for an average price of AUD 4.75 and a total investment of AUD 362.6 million.

In the first half of fiscal year 2023, the company bought back 67.0 million shares (~7% of issued share capital) for an investment of AUD 592.8 million, with 40.1 million shares and AUD 367.4 million being in relation to the Stage 2 FY23 share buyback approved by shareholders in October 2022.

The second on-market share buyback received shareholder approval at the company's Annual General Meeting on 26 October 2022 to extend the share buyback programme by up to 240 million shares (~25% of issued capital) over the next twelve months.

This was in addition to the company's initial 10% on-market share buyback, which commenced on 8 March 2022 and completed on 20 October 2022.

Dividend Policy

The company has mentioned in the 2022 annual report as well as 2023 interim report that it targets between 20% to 50% of net profit after tax (NPAT) pay-out ratio for distribution of dividends and buybacks combined, and it may exceed 50% if the best use of surplus capital is to increase distributions (dividends and/or buybacks).

In the first half of fiscal 2023, the company paid interim dividend of 32 cents per share totalling AUD 274.0 million representing a pay-out ratio for the half year of 15% of NPAT.

Below table shows the dividend history of the company over the last two-year period.

Valuation Metrics	
Shareholder Yield	21.2%
Dividend Yield	10.4%
Share Buybacks	10.8%

Recent results

For the six months ended 31 December 2022, sales increased 164.0% to AUD 3,809.2 million from AUD 1,443.0 million, the previous year as prices for high quality, high-CV coal remained at very high levels during the period.

As global energy shortages continued to underpin strong pricing, the company achieved a record realised average coal price of AUD 552 per tonne in the half year, up 173.3% from AUD 202 per tonne during the same period in 2021.

EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortisation) increased 319.4% to AUD 2,653.3 million from AUD 632.6 million primarily driven by the strong and enduring global demand for high quality coal.

The company highlighted that despite weather interruptions and ongoing labour constraints, the business performed well operationally, especially the Narrabri underground mine delivering a strong operational performance.

As a result, net profit was up 423.3% to AUD 1,782.0 million from AUD 340.5 million during the period, while basic earnings per share was up 483.3% to AUD 198.9 million from AUD 34.1 million.

Outlook

Whitehaven highlighted that energy security remains a key priority against a backdrop of global energy supply shortfall – particularly for high quality thermal coal.

As a result, industry analysts expect the demand for coal to remain strong and particularly for high-CV coal that Whitehaven produces with its higher energy content and lower emissions profile relative to other coal products.

In metallurgical coal markets, pricing has strengthened as a result of China lifting its COVID related restrictions and China-Australia trade flows re-opening.

As a result, the management believes that the company remains on track to deliver within the range of its overall production, sales and cost guidance for FY23, as issued on 9 November 2022 and as given below:

- Managed ROM Coal Production: 19.0 - 20.4 Mt (FY2022: 20.0 Mt)
- Managed Coal Sales (excluding purchased goal): 16.5 - 18.0 Mt (FY2022: 17.6 Mt)
- Total Capex: AUD 287 - 360 million (FY2022: 154 million)

The company also highlighted that its focus for FY2023 would be as follows:

- Ongoing strengthening of safety, environmental and sustainability outcomes
- Delivering FY23 guidance
- Optimising margins / managing costs
- Disciplined capital allocation including returning capital to shareholders
- Progressing development projects to be 'shovel ready'; assessment of staged Vickery approach
- Responding to Government policy changes

Further Reading

Company Website

Investor Relations

Annual Reports

Financial Times Summary

Current Recommendations (sorted by recommended date)							
Investment	ISIN	Added	Buy Price	Price 14-05-23	Dividend	Return	Description
HP Inc.	US40434L1052	16-05-23	28.90	28.90	0.00	**+ 0.0 %**	United States of America - Storage & Peripherals
Marathon Oil Corporation	US5658491064	16-05-23	22.39	22.39	0.00	**+ 0.0 %**	United States of America - Oil & Gas
Whitehaven Coal Limited	AU000000WHC8	16-05-23	6.94	6.94	0.00	**+ 0.0 %**	Australia - Oil & Gas
Average Return						**+ 0.0 %**	

Disclosure:

No editorial team investments in any of the Current Recommendations

Notes:

The **Shareholder Yield Letter** portfolio is an equally weighted strategy and does not include dealing charges to purchase or sell securities, if any. Taxes are not included in total return calculations. “Return” includes gains from price appreciation, dividend payments, interest payments, and stock splits. For securities not quoted in Euro the total return is shown in the currency the security is quoted in. Sources for price data: Yahoo! Finance (finance.yahoo.com), Financial Times (www.ft.com), and company websites.

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How the newsletter finds investment ideas

The see exactly how we select and analyse companies for the newsletter please click on the following link: How we find ideas for the Shareholder Yield investment newsletter.

Be sure to **look at the two flow charts** at the bottom of the article.

How the newsletter keeps your losses low

Stop buying when markets are falling!

The newsletter only recommends new investment ideas if the moving average of the MSCI World index is above its 200-day simple moving average (SMA).

The 200-day SMA rule only applies to the recommendation of new investment ideas, the stop loss strategy (see below) applies to existing ideas.

The index we use:

- Developed Markets World-Wide - MSCI World USD Index

(Click on the links to see a price chart with its 200-day simple moving average)

The Stop Loss strategy

The **Shareholder Yield Letter** follows a strict stop loss system which sells an investment if it has fallen more than 20% from the all-time high.

Stop-loss Rules.

The following are the rules of the newsletter's stop loss strategy:

1. A trailing stop-loss where you calculate the losses from the highest price the company has reached since it was recommended.
2. Only look to see if the stop-loss percentage has been exceeded once a month, on the newsletter's publication date. If you look at it daily, you may sell if the share price becomes volatile. This will also ensure that you keep your trading costs as low as possible.

3. Sell your investment if at the monthly review date, the trailing stop-loss level of 20% has been exceeded.

4. Measure the trailing stop-loss in the currency of the company's primary listing. This means measure the stop-loss of a Swiss company in Swiss Francs (CHF) even if your portfolio currency is Euro (EUR).

5. Adjust the trailing stop-loss for dividend payments as the share price usually falls by the amount of the dividend payment.

6. Reinvest the cash from the sale in a current newsletter investment idea. This will make sure that you sell losing investments and invest the proceeds in the current best ideas

General Note

This newsletter and its content are provided to you for informational purposes only and any discussion of past performance of any security, other investment or investment strategy should not be considered as indicative or a guarantee of future performance.

It does not constitute personalised financial advice nor an endorsement or solicitation to make any investment.

Please do your own due diligence or hire a financial advisor before making any investment decisions. It is your money and your responsibility.

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