

From the Cincinnati Business Courier:

<https://www.bizjournals.com/cincinnati/news/2021/01/14/cintas-tesla-fuel-courier-stock-contest-winner.html>

Cintas, Tesla fuel Courier stock contest winner

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Electric car company Tesla's stock soared eightfold in 2020 while locally based Cintas posted a significant gain to lift the winner of the *Courier's* annual stock-picking contest to huge investment returns.

Todd Salamone, senior vice president of research at Blue Ash-based Schaeffer's Investment Research Inc., generated a 176% return – even though it was theoretical and not actual cash – in the contest. Even that whopping gain barely edged defending champion Joel Musser, wealth adviser at Blue Ash-based Total Wealth Planning, who cranked out a 146% gain that would have been enough to win in almost any other year.

"Sometimes it just takes that one stock," Salamone told me. "It's like the 80-20 rule, where 80% of your profits come from 20% of your stocks."

He certainly had that one stock in Tesla. It soared an astounding 743% during the year. It had a nice gain halfway through the year,



SCHAEFFER'S INVESTMENT RESEARCH INC.

Todd Salamone is senior vice president of research at Blue Ash-based Schaeffer's Investment Research Inc.

slightly more than doubling, before it really took flight in the latter half of the year.

Salamone took note at the beginning of last year that expectations were low as analysts doubted Tesla's ability to produce enough vehicles. That led lots of investors to sell the stock short in bets that the share prices would fall. But its production began to exceed expectations and the stock began to rise.

"The next thing you know, you have a company surpassing earnings expectations that has ferocious short covering throughout the year," he said.

The need for those short sellers to buy back the stock propelled Tesla even here, and helped Salamone to a victory.

Mason-based corporate uniform maker Cintas (Nasdaq: CTAS) helped, too. It gained 33%.

"They were positioned well, pandemic or no pandemic," Salamone said. "They have a cleaning supplies business that works well in a pandemic, and their uniform business does well in a strong economy."

The 28 contestants – 27 local investment advisers and the *Courier* with its own picks – each chose a portfolio of five stocks in early January that they expected to produce the best total return, including dividends, in 2020. At least one selection had to be a locally based company.

All but five of the 28 contestants beat the S&P 500's 18.4% total return for the year.

Meanwhile, the *Business Courier's* strategy might need some tweaking. After more than a decade of consistently strong results, it finished last, marking the third time in four years it was at or near the bottom of the heap. The *Courier's* portfolio was the only one to lose theoretical money, declining 3.1%.

The financial sector, which slumped last year amid the pandemic, falling interest rates and concerns about the economy causing potential loan losses, hammered the *Courier's* picks. Cincinnati Financial Corp., Fifth Third Bancorp and LCNB Corp. each saw their

stocks decline. That wasn't enough to offset gains from Kroger Co. (NYSE: KR) and LSI Industries Inc. (Nasdaq: LYTS).

The *Courier* annually picks only locally based stocks using a combination of growth and value metrics. Despite its poor performance in 2020, the *Courier* has finished in the top 10 in 13 of the contest's 18 years under this format and has beaten the S&P 500 in 11 of those years.

Salamone sees opportunities this year in stocks in the alternative energy sector, as well as unloved areas like retailers and consumer discretionary stocks.

The contest's top 10, ranked by total return:

Todd Salamone, Schaeffer's Investment Research, 175.7%

Joel Musser, Total Wealth Planning, 146.1%

Leon Loewenstine, Mariner Wealth Advisors, 93.5%

Jason Eichner, Eichner Investment Planning, 75.8%

Ron Bates, 1919 Investment Counsel, 71.0%

Mike Simon, AlphaMark Advisors, 68.8%

Vic Lassandro, Mariner Wealth Advisors, 64.3%

Buck Newsome, Cambridge Financial Group, 50.3%

Andy Eng, Renaissance Investment Management, 49.0%

Chris Prybal, Schaeffer's Investment Research, 48.2%

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