Tips, Tricks, & Techniques

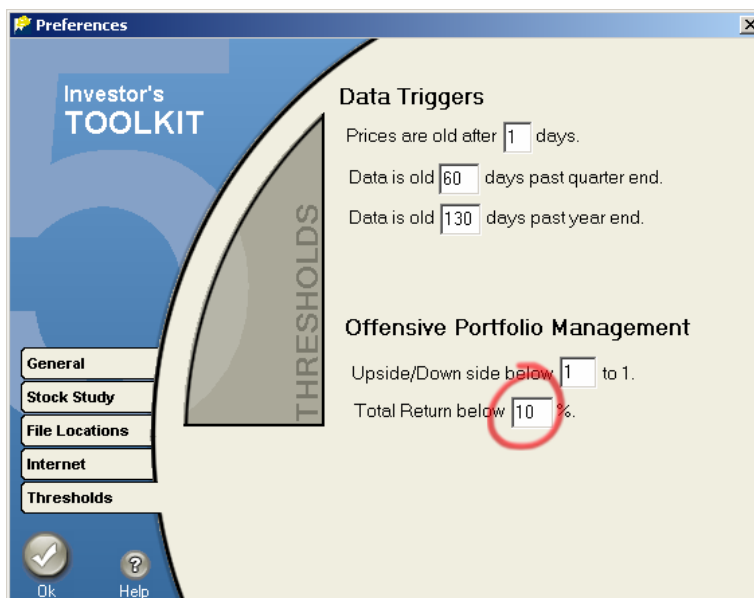## Setting Global and Individual Thresholds

The Preferences tab Thresholds permits us to set global thresholds for:

- Data Triggers
- Offensive Portfolio Management

This discussion covers the Total Return threshold.

While we would like to see all of our holding progress with time with a Total Return greater than 15%, it is quite unlikely. Hence were we to set the global threshold to 15% we would see the Offensive Alerts for our portfolio overloaded.

A better global selection might be 12% or even 10%.

More often than not we may have a good performing stock in our portfolio whose price is driven to a relatively higher price or Price - Earnings ratio by the exuberant herd. We may want to lower the expected Total Return for this equity to below the global 10% shown above.

A Portfolio Overview may be opened by two methods:

    First:

        In the Library window select the desired portfolio, then click PERT.

    Second:

        Double click on the desired portfolio in the Toolkit 5 Home Page

Either method opens the Portfolio Overview window for the selected portfolio. Then click the Alert button in the upper left corner of the window.

Setting Global and Individual Thresholds (continued)

Both the Defense and Offense Alerts are shown based on Trailing 12 Months of data. Note that there are no Defensive alerts but SYK (Stryker) shows as an Offense alert because the Total Return calculation has fallen below the global threshold of 10% and is shown in red. We have determined that this is an excellent company whose price has been driven up by its popularity and that there is no reason for us to sell it.

We may change its Total Return threshold to, say 7% by:
1. Highlighting the stock
2. Then click on the Thresholds button
3. Enter 7 in the Adjust Company Target Return window
4. Click "OK"

Now notice that the Total Return figure is black, since it is just above the 7% we set as an individual return just for SYK.