

Tips, Tricks, & Techniques

Undocumented Features in Toolkit

With the release of Toolkit 5 it became incumbent to revisit the Undocumented Features of this software. The findings basically are that all from the earlier versions continue to function except for those that are no longer needed as they have been incorporated into version 5. Special features in Toolkit 6 are at the end.

Feature	TK4	TK5
Preferred Procedure - press ALT+R to display on front page of the SSG. (See Figure I)	✓	✓
Date for price input - on the basic data input screen <ul style="list-style-type: none"> • Date field will add or subtract a month with PGUP or PGDN. • Date field will add or subtract a day with Up Arrow or Down Arrow. • Home key will insert today's date. 	✓	✓
R2 [Statistical stability] - on the historical growth chart, ALT+R will give you the stability of sales and earnings. (See Figure II)	✓	INC ¹
Ten-Year Average P/E's - on the back of the SSG, when you click in the high or low P/E judgment entry boxes, press ALT+X to get ten-year averages. You can eliminate individual figures from that screen just like the five-year screen. (See Figure III)	✓	INC ^{1&2}
To average the 5 lowest high P/E's and the 5 lowest low P/E's in the last 10 years, press ALT+M .		✓
Change Estimated Low Earnings per Share between last full years and last 4 quarters with ALT+Q	✓	✓
Show Potential Low Price by the Price Variance Quotient method in the Judgment - Potential Low Stock Price window, click Other , then ALT+R		✓
"Buy" price and U/D Ratio of 3 to 1 - ALT+ B will give you the price that will satisfy both 3 to 1 U/D and 15% total return. (See Figure IV)	✓	✓
The Actual Period Used in the Calculation for Total Return (& PAR) on the back of the SSG may be toggled using CTRL+ALT+N . (See Figure V) Toolkit5 uses 5 years.	✓	NA
The Relative Value plot on the back of the Portfolio Management Guide may be toggled between a bar graph and a line graph with ALT+R . (See Figure VI)	✓ ³	✓ ³
Moving between forms - the right mouse button allows you to quickly move between forms.	✓	✓

Undocumented Features in Toolkit (continued)

Feature	TK4	TK5
Flipping through SSGs - CTRL+Tab will allow you to flip through companies if you have more than one open.	✓	✓
ALT+C will display the Rational Price.		✓
ALT+Z will display the PEG Ratio		✓
ALT+G will toggle among showing Price, PE, or both on the PMG Graph.		✓
In the Management Section on the back of the SSG, ALT+D will toggle between 2B % Earned on Equity and 2C % Debt to Equity. (See Figure VII)	Error ⁴	✓ ⁴
In the Management Section on the back of the SSG, ALT+R will toggle % Earned on Equity calculation between current and earlier year Book Value data. (See Figure VIII)	✓ ⁵	✓ ⁵
While viewing the back side of the SSG, Sustainable Growth may be displayed with ALT+S . (See Figure IX)		✓
Using 10 years for Signature PE and Relative Value calculations: <ul style="list-style-type: none"> • Select the Preferences > Stock Study tab • Hold down both the Ctl & Alt keys, then strike "P" followed by "E" keys • A new selection appears - "Use 10 year PEs for Relative Value" (See Figure X) • Select that check box Outliers may be eliminated in the Section 4 dialog box used for selecting the forecast PEs or using the PERT-B table.		✓

Notes:

1. INC - Not required as the feature has been incorporated into TK5.
2. Outliers may be handled in the 10 year average screen.
3. TK5 uses 5 years for all studies.
4. This feature is recommended only for Advanced Users. It only works correctly on TK5 with data loaded from OPS; it can not be altered or changed. It has been reported that incorrect values are calculated in TK4 making this useful for TK5 only.
5. This feature is recommended only for Advanced Users. Read the writings of Ellis Traub for the rationale for using prior year Book Value in the calculation.

Undocumented Features in Toolkit (continued)

Figures

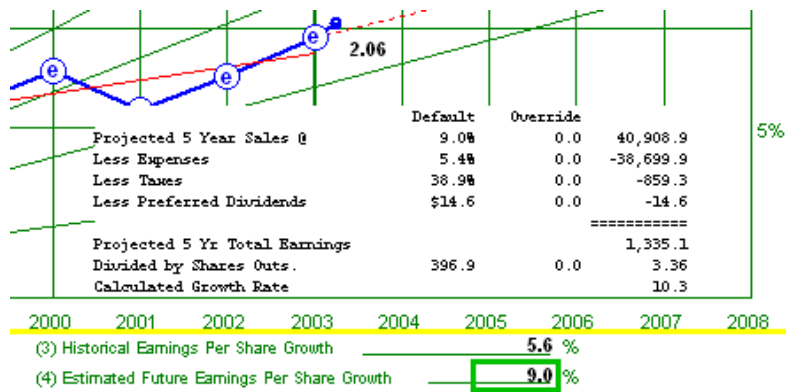


Figure I - Preferred Procedure

Number Years	% Sales Growth	% EPS Growth
4	10.0	5.6
3	9.7	5.5
2	9.3	16.0
1	10.0	17.7
R^2	0.73	0.26

Figure II - R2 [Statistical stability]

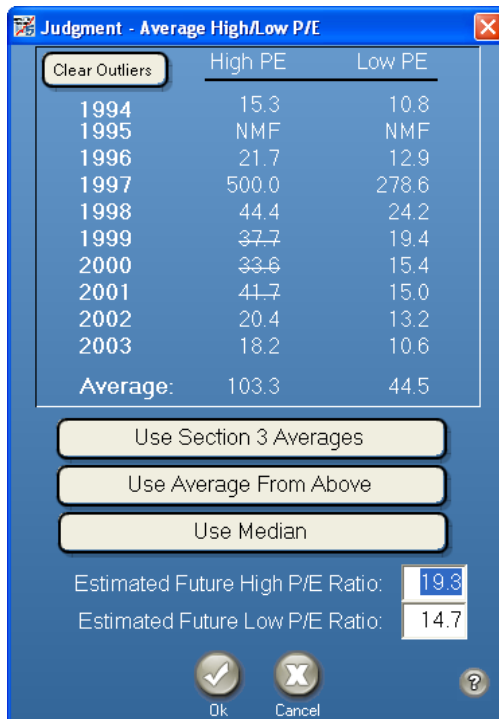


Figure III - Ten-Year Average P/Es

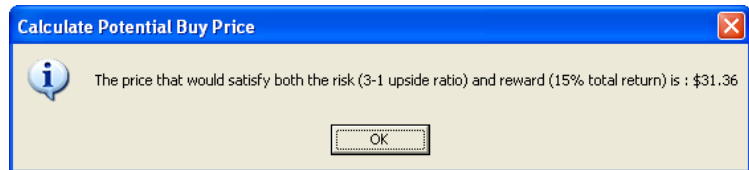


Figure IV - "Buy" price and U/D Ratio of 3 to 1

	P.A.R.	Tot. Ret.
Average Yield	0.8%	0.7%
Annual Appreciation	6.0%	9.1%
% Compd Ann Rate of Ret	6.8%	9.8%

ga 48071 (Actual Period used: 4.52 years.)

Figure V - Actual Period Used

Undocumented Features in Toolkit (continued)

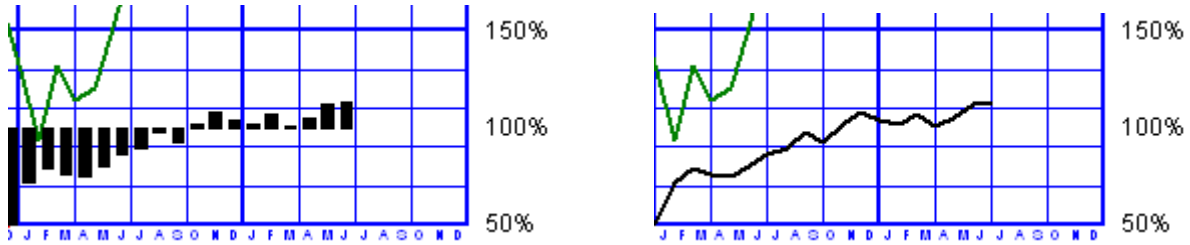


Figure VI - Relative Value Plot on PMG back.

B	% Earned on Equity (ES + Book Value)	12.1	-41.6	18.2	1.0	15.9	16.6	16.5	13.2	13.4	13.7	14.7		DOWN
C	% Debt to Equity (LT Debt + Bk Val / Stks)	14.8	22.0	24.7	11.6	8.9	15.2	12.6	17.9	20.9	12.7	15.9		DOWN

Figure VII - % Debt to Equity

B	% Earned on Equity (ES + Book Value)	12.1	-41.6	18.2	1.0	15.9	16.6	16.5	13.2	13.4	13.7	14.7		DOWN
B	% Earned on Equity (ES + Book Value) (Rev. Year)	RMF	-26.8	14.6	1.2	18.3	19.5	19.3	14.0	15.1	15.8	16.7		DOWN

Figure VIII - % Earned on Equity Calculation

2 EVALUATING MANAGEMENT Company **Illinois Tool Works** (ITW) 06/07/06

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	LAST 5 YEAR AVG.	TREND		
A	% Pre-tax Profit on Sales (Net Before Taxes + Sales)	15.4	17.7	18.8	15.4	15.7	13.2	15.2	15.7	17.1	17.0	15.7	UP	DOWN
B	% Earned on Equity (ES + Book Value) (Prev. Year)		24.1	23.7	22.4	20.8	14.6	15.3	15.5	17.2	19.9	16.5	UP	

3 Investor's Toolkit

Sustainable growth goes here: 12.1

OK

HISTORY as an indicator of the future
with earnings and dividends. It is a building block for translating earnings into future stock prices.

PRESENT PRICE **48.560** HIGH THIS YEAR **53.540** LOW THIS YEAR **39.250**

Year	PRICE	B	C	D	E	F	G	H
	HIGH	LOW	Earnings Per Share	Price Earnings Ratio HIGH A + C	LOW B + C	Dividend Per Share	% Payout F + C X 100	% High Yield F + B X 100
1	2001	48.4	36.5	2.20	22.1	16.6	0.500	22.8
2	2002	47.3	39.3	2.60	18.2	15.1	0.585	22.5
3	2003		155.2		118.9	85.0	133.6	
4	2004		31.0		23.8	17.0	26.8	
5	2005		20.4		18.7			
6	TOTAL							
7	AVERAGE							
8	AVERAGE PRICE EARNINGS RATIO							
9	CURRENT PRICE EARNINGS RATIO							

Proj. P/E [16.92] Based on Next 4 qtr. EPS [2.87] Current P/E Based on Last 4 qtr. EPS [2.60] PEG=163

Sustainable Growth = Avg % Earned on Equity * (1 - Avg % Payout) = 16.5 * (1 - .268) = 12.1

Sustainable Growth is calculated using beginning equity.

Figure IX - Sustainable Growth

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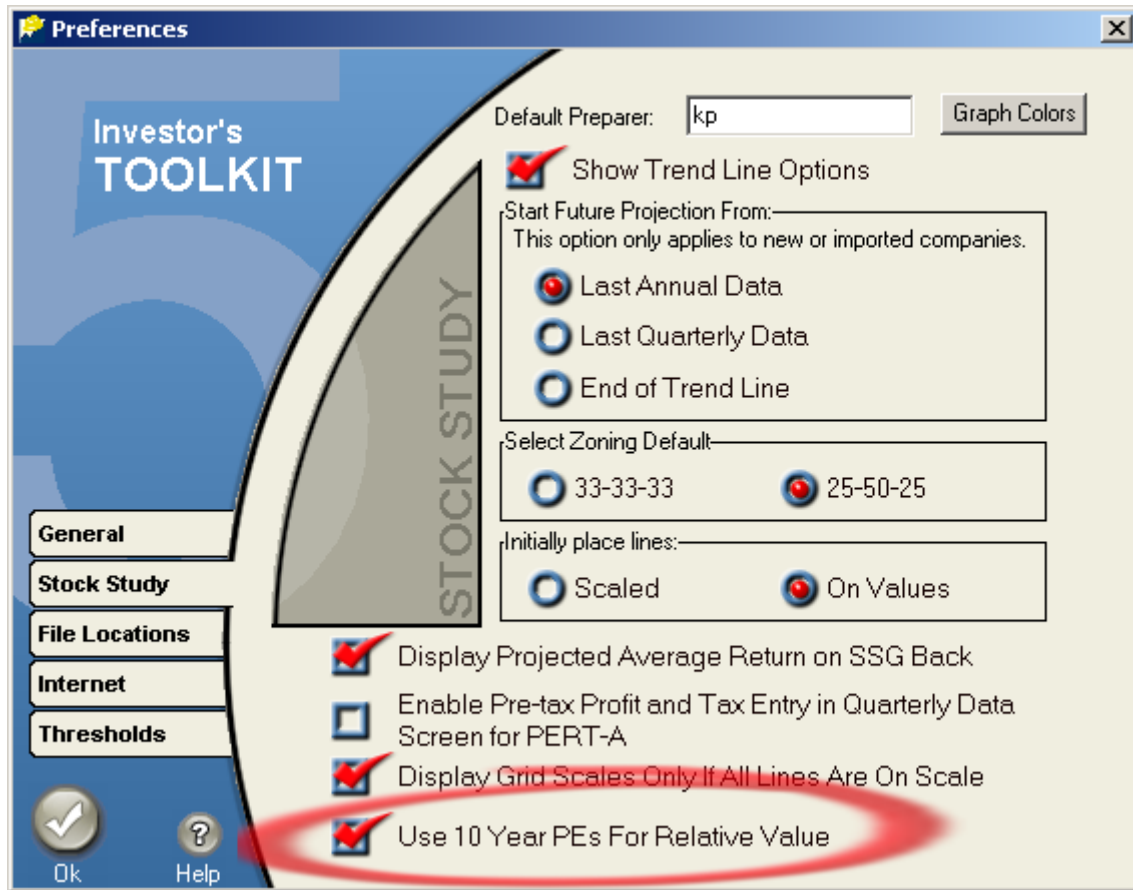


Figure X - Use 10 Year PEs for relative value

Various sources were used in compiling this list. The Space Coast Chapter acknowledges the contributions of Phil Sudore & Jim Thomas.

Toolkit 6 Shortcuts and Tips

Toolkit 6 represents more than a name change from Investor's Toolkit Version 5. The IClub web site <http://www.iclub.com/> lists 14 new features in the latest version. Still some of the previously available undocumented features that were sometimes referred to as "rogue keys" still work and there are some new shortcuts to learn. Here is a list:

Reset Forecast: When loading a new company from the Stock Central data subscription one is given a chance to use Stock Central growth estimates. These can be changed by the user but if after altering these figures one would like to start over one can revert by using the key combination **CTL+ALT-D**.

First Impression: When a new company is retrieved from the Stock Central feed a First Impression window is displayed and the user is given the opportunity to enter

Undocumented Features in Toolkit (continued)

Toolkit's Judgment. One can redisplay the First Impression window any time one is on the front page of the SSG by entering one of two key combinations: **ALT-I** or **CTL+ALT-I**.

Choose lowest P/Es: To select and average the 5 lowest high P/Es and the 5 lowest low P/Es in the last 10 years, use **ALT-M**.

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