



## Demo Number 2 - Historical and Performance F.A.S.T. Graphs™

Transcript for video located at:

<https://youtu.be/W8pds2MgP1o>

This Demo Number 2 is an introduction to the historical and associated performance F.A.S.T. Graphs™.

The historical F.A.S.T. Graphs™ research tool provides a clear historical perspective of a company's operating results, stock prices and historical valuations. Their primary purpose is to illustrate the strong correlation and functional relationship between earnings and market price (in the long run).

These charts and graphs capture volumes of fundamental data at a glance. However, it's important to understand that they are “tools to think with” and should only represent the starting point before a more extensive fundamental research and due diligence process. On the other hand, in an instant, these powerful tools can tell the user more about the success of the businesses behind the companies they are analyzing than any other research tool available.

The primary navigation bar is the long rectangular-shaped tan bar to the left of the graph. This is where you enter stock symbols of companies you are interested in researching and where you can choose the stock exchange you are searching in. Your options are “US Exchanges” and “Canada Exchanges” or you can utilize “All Exchanges.” Note that if you utilize “All Exchanges” you might encounter two companies with the same stock symbol, but on different exchanges.

The stock symbol WMT is one example. On the US Exchange it is Wal-Mart and on the Canadian Exchange it is West Mountain Environmental. When you use “Any Exchange” you would then have to ask for the actual company you are interested in. If you wanted to see Wal-Mart, you could use the “US Exchange” option only and Wal-Mart would come up.

Another important function of the primary tan navigation bar is choosing the earnings mnemonic. There are five earnings options. FAST Graphs will automatically default to “Adjusted (Operating) Earnings” as we believe this provides the best earnings and price valuation reference. In addition to the five earnings options there is also an option for “Cash Flow (CFL,FFO).”

Note that if you are analyzing a REIT (real estate investment trust), cash flow will automatically convert to FFO (Funds From Operations) and an additional metric AFFO (Adjusted Funds From Operations” will be provided.

There are additional navigation options available in the primary navigation bar such as a drop-down window with external links to other research sites that facilitate a deeper and more comprehensive research and due diligence process.

However, most manipulations of the F.A.S.T. Graph are conducted within the graph itself. At the top of the graph there are light orange rectangles representing years that instantly change the timeframes you are graphing from as short as 3 years out to as long as 20 years of data. Note that the timeframes include the current year we are in, plus one forecast year. In other words, the timeframes are not all historical.

This ability to quickly change timeframes is one of the most valuable benefits of the FAST Graphs research tool. As timeframes are changed, different data sets are created and therefore utilized to calculate growth rates and to generate the primary valuation reference lines provided on the earnings and price correlated FAST Graph. Therefore, subscribers can quickly determine whether important metrics such earnings growth rates are accelerating, decelerating or staying the same. Changes in the way the market has been valuing the company over different timeframes is also revealed.

Perhaps the best way to understand the historical F.A.S.T. Graphs™ is to first look at each of their major components individually, before combining them into a complete historical F.A.S.T. Graphs™. The orange rectangular legend at the bottom of the FAST Graph allows you to instantly add or delete items on the graph.

We are going to build a complete historical F.A.S.T. Graphs™ one component at a time by unchecking all the boxes except the orange “Valuation Growth Rate Line” and then adding each of the other important components one at a time as a vivid demonstration of what we mean when we say “essential fundamentals at a glance.”

First we will begin rebuilding the graph by adding monthly closing stock prices (the black line) by simply clicking the word “Price” to illustrate how the F.A.S.T. Graphs™ demonstrate and prove the earnings and price relationship and correlation. With a lot of short-term volatility in between, in the long-run, price follows earnings.

In addition to graphing price and earnings, the F.A.S.T. Graphs™ also automatically provides a depiction of dividends, if any, in 2 forms - the light green shaded area above the orange line depicting dividends after they've been paid out of earnings (the dark green shaded area) and by the honeydew green line (it appears white) depicting dividends prior to being paid out to shareholders.

There are important reasons why F.A.S.T. Graphs™ presents dividends in both formats. The honeydew green line provides 2 additional functions. First, it graphically depicts the company's dividend payout ratio which is all of the earnings that are below the honeydew green or (white) line. Second, it allows you to instantly determine whether dividends have risen or fallen in any given year.

When stacked on top of earnings, the light green shaded area can provide the illusion that a dividend has been cut even though it hasn't if the company has a record of cyclical earnings. The graph on SWK vividly illustrates these points.

Finally, we will add the normal price earnings ratio (the dark blue line) by simply checking the “Normal PE” ratio, this provides an important additional valuation measurement. This line shows the user how and at what level the market has historically valued each business over various timeframes.

For example, here we are switching to Becton Dickinson and Company (BDX) here we discover that the market has historically provided a premium valuation as indicated by the blue normal P/E ratio valuation reference line. When all items in the legend are clicked, a complete historical F.A.S.T. Graph is created.

An important piece of vital historical information provided by F.A.S.T. Graphs™ is the associated performance results for whatever timeframe was measured. F.A.S.T. Graphs™ automatically utilizes an example of a \$10,000 initial investment as its default setting. However, subscribers can input their own investment amounts by going to the tan navigation bar at the left and inputting their own numbers.

The performance report includes a dividend cash flow table, if the company pays dividends, and a calculated closing annualized rate of return (ROR), which is compared to the S&P 500 as a return benchmark.

Due to the powerful built-in calculating functionality of the historical F.A.S.T. Graphs™, subscribers can also run performance calculations based on investing in one share of the stock on the actual F.A.S.T. Graphs™. Simply click anywhere on the black price line for Point A and then click a second time to Point B and FAST Graphs will automatically calculate the return from Point A to Point B based on one share. This includes the total cumulative dividends, total gain in percentages as well as the total annualized rate of return.

The FAST FACTS boxes to the right of the graph provide essential current information such as price, current P/E ratio and dividend yield. Then the color-coded section provides the calculated earnings growth rate, as well as the multiples used to generate the valuation reference lines. Just below that you find subsector data, market cap, S&P credit rating, the debt-to-capital ratio, exchange and country. If you run your mouse over any of the items an explanatory pop-up will appear. The pop-ups can be turned off by clicking the words “FAST FACTS” until it turns dark gray. Click again and they will be turned back on.

If you click on the icon to the right of stock splits a pop-up will appear listing at least 10 of the company’s past splits. You can also click the word “Splits” in the orange rectangular legend box and any recent splits will appear on the graph.

An additional important feature of the historical F.A.S.T. Graphs™ is the link to the company's website at the top of the earnings and price correlated graph. This allows the subscriber the ability to begin a more comprehensive research effort on any company that they would be interested in learning more about. This is further evidence of the F.A.S.T. Graphs™ ability to aid the subscriber in conducting comprehensive fundamental research deeper and faster than ever before.

This is the second in a series of five demos that will illustrate the enormous power and benefits of the F.A.S.T. Graphs™ fundamentals analyzer software tool. The next demo will cover the basics of how to use the forecasting portion of the F.A.S.T. Graphs™ research tool.

(End of Demo No. 2)