

How to Make Adjustments for a 2-for-1 Stock Split

In a 2-for-1 stock split, each 100 shares previously purchased is now 200 shares. This split will require some changes to how you continue the Snider Investment Method® in this position.

You will need to make adjustments to your Snider Method recordkeeping. **These changes must be made before next Trade Day.** You will need to adjust your Individual Stock Purchase Record, Band Rule and Allocated Cash worksheets. The rest of this memo will explain those adjustments in detail.

You will begin the process by making adjustments to your Individual Stock Purchase Record and Band Rule worksheet.

Step 1 – Calculate your new Price Paid amounts

Because each purchase now represents more shares, your Price Paid amounts will decrease. Enter your original purchase price for each lot of shares into the Old Price Paid column and divide by 2 to calculate your new Price Paid.

OLD PRICE PAID		SPLIT AMOUNT		NEW PRICE PAID
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	
	Divided	2	=	



Step 2 – Calculate your new Total Shares

The number of shares you own will also change. To determine how many new Total Shares you have, multiply your old Total Shares by 2. This information can also be found in your optionsXpress® account.

OLD TOTAL SHARES AMOUNT		SPLIT AMOUNT		NEW TOTAL SHARES AMOUNT
	Multiplied by	2	=	

Make sure to transfer both the new Price Paid and Total Shares amounts to your Individual Stock Purchase Record.

Step 3 – Create a New Band Rule Worksheet

Because your purchase prices have been adjusted, you will create a new Band Rule Worksheet. Use the new Price Paid amounts to determine the new Upper and Lower Limits of your Bands. Then record your purchases in the appropriate Band.

You have now completed all the necessary adjustments to your Snider Method worksheets. The following are changes to how you will trade your position.

Step 4 – Determine your New Monthly Purchase Level

The table below will help you determine your new Monthly Purchase Level. Your new Level is based on both the terms of the split and your original purchase Level.

ORIGINAL LEVEL OF STOCK	NEW LEVEL OF STOCK
100	200
200	400
300	600
400	800
500	1,000

From now on, you will purchase the stock at your new Level. **You should not buy shares at your original Level.**

You may already be close to or at 10 times your purchase Level. If you have already made ten purchases, you cannot purchase any additional shares. Doing so will cause you to use more cash than originally allocated to the position.

We know that a stock split may cause you some frustration and concern. We are always here to answer your questions and guide you through the process. Please do not hesitate to contact us with any further questions or concerns. You can email us at support@snideradvisors.com, or reach us at 214.220.0055 or 888-6-SNIDER.

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