



Position Close Update: F5 Networks (FFIV)

F5 Networks (FFIV: \$145/share) – Closing Long Position – Up 23% vs. S&P +6%

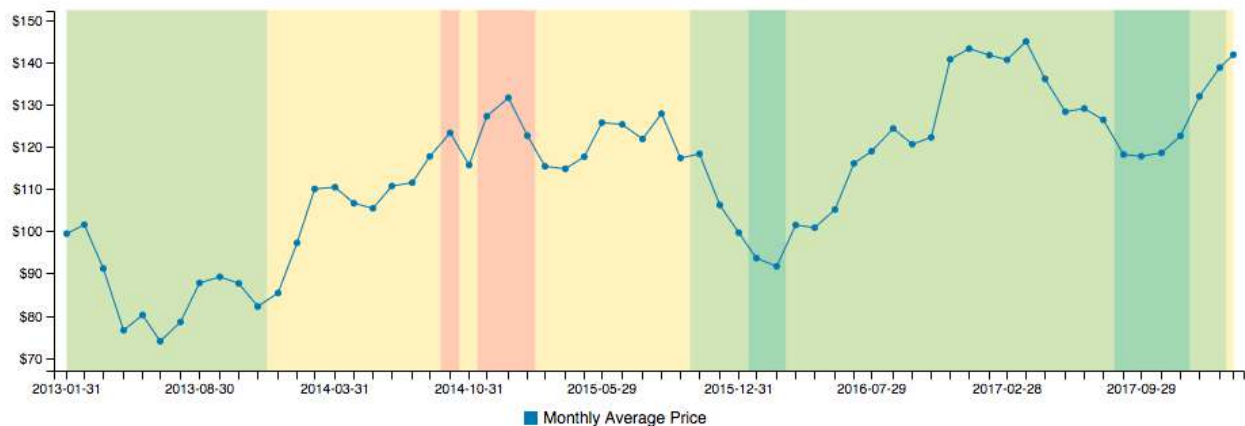
F5 Networks was originally selected as a [Long Idea on 10/18/17](#) and added to our initial [Focus List – Long Model Portfolio](#). At the time of the report, the stock received a Very Attractive rating. Our investment thesis highlighted a low [PEBV](#) ratio that implied pessimistic expectations baked into the stock price despite the firm’s multi-year history of profit growth.

During the subsequent 127 day holding period, FFIV outperformed, rising 23% compared to a 6% gain for the S&P 500. FFIV has since been downgraded to Neutral on 2/6/18 after our [Robo-Analyst](#) parsed the most recent 10-Q. While FFIV’s valuation remains attractive, the stock was downgraded due to a misleading trend in [economic earnings](#) vs. reported earnings. Due to this change, we are closing this position and removing it from our [Focus List – Long Model Portfolio](#).

We hope investors were able to participate in the 23% rise in stock price since we first featured FFIV.

Figure 1: FFIV Stock Price and Risk/Reward Rating History

▼ **Normalized Rating History - Monthly Average***



Sources: New Constructs, LLC and company filings

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Disclosure: David Trainer, Kyle Guske II, and Sam McBride receive no compensation to write about any specific stock, style, or theme.

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