

VALIDEA.COM

2011 GURU PORTFOLIO PERFORMANCE REPORT

REVIEW AND ANALYSIS OF VALIDEA'S
GURU-BASED MODEL PORTFOLIOS

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2011 MARKET OVERVIEW

As the late, great Benjamin Graham said, in the long term, the stock market is a weighing machine, judging stocks based on measurable criteria like earnings, sales, debt, profit margins, and return on equity. But in the short term, as Graham also noted, it is a voting machine -- that is, it is highly subject to the whims and moods of investors. And for much of 2011, fear was driving most investors' votes, thanks to a number of macroeconomic issues around the globe.

The first main barrage of fears came from the Middle East. Protests in Tunisia led to the fall of that country's government in mid-January, and upheaval followed in several other prominent nations throughout the region, including Egypt, Libya, Yemen, and Syria. Concerns about stability in the Middle East -- and, of course, the impact on oil prices and availability -- spooked many investors, leading to some major downside volatility in the first few months of the year.

Later, the focus shifted to Europe, where Greece was joined by Portugal, Spain, and Italy as the focal points of the continent's debt crisis. The slightest hint of how the drama might play out -- a comment from a eurozone official, a whisper of a plan stalling or moving forward -- sent stocks tumbling downward as fear spiked, or jumping back up as fear abated. More often than not, it was the former. Progress, in the form of an ongoing mix of aid packages and austerity measures, has hopefully brought things closer to a resolution, though there are sure to be more bumps in the road.

The U.S.'s own debt problems also were a drag on the market, particularly when the debt ceiling imbroglio came to a head in late July. With legislators seeming more focused on political squabbles than solutions, the country came close to an historic debt default before Congressional leaders reached a last-minute compromise. But the political turmoil did do damage, as Standard & Poor's cited a weakening of "effectiveness, stability, and predictability of American policymaking and political institutions" when it downgraded the U.S.'s credit rating in early August. Amid all of this, the S&P 500 tumbled 16.8% in just 11 trading days.

With the economy also going through a mid-year slowdown, the gloom hanging over the market increased, and numerous forecasters and pundits began to see a new recession as unavoidable. But just as fears seemed to be crescendoing, the economy staged an impressive rebound, though it was often overshadowed by the European debt fears.

Perhaps the biggest shot in the arm came from the job market. In late December, the four-week average of new claims for unemployment fell to its lowest level since June 2008, according to Labor Department data. Continuing claims, meanwhile, fell to levels not seen since September 2008, when the Lehman Brothers collapse sparked the financial crisis. Both new and continuing claims for unemployment are now close to half of what they were during the height of the Great Recession.

The unemployment rate also began to edge downward in July, and by December it had fallen for four straight months, reaching its lowest level in almost three years. And the so-called "U-6"

unemployment rate, which includes those who want a job but have given up looking for one, has also fallen significantly and is at its lowest point in nearly three years.

Solid improvement also came from several other areas of the economy. Manufacturing growth, which had slowed over the summer, accelerated in both November and December, according to the Institute for Supply Management, stretching its streak to 29 straight months of expansion. Industrial production, meanwhile, rose 4.1% for the year. The American consumer also continued to prove quite resilient, with retail and food service sales rising in each of the past seven months, and up 7.7% for the year.

The housing market even showed some hopeful signs as the year wore on. Housing starts ended the year about 25% above year-ago levels, and the National Association of Home Builders/Wells Fargo Housing Market Index increased for the third straight month in December -- the first time that has happened in more than two years. It also showed that homebuilder sentiment is higher than it's been since the spring of 2008.

The improving economy helped backstop some of the declines caused by the European debt crisis. But in the end, fear beat out fundamentals in 2011, with the S&P 500 finishing the year at 1257.60, almost exactly where it started the year (1257.64). Some of Validea's guru-based portfolios did much better; three of the twelve individual guru portfolios returned more than 10%, and two others also beat the market. But overall it was a down year for the strategies, with the 12 individual guru-inspired 10-stock portfolios on average losing 5.2%. The top performer was the Momentum Investor portfolio, which returned 20.9%; the worst performer was the Joseph Piotroski-inspired portfolio, which lost 24.4%.

Our two 10-stock consensus portfolios lagged the market, with the Validea Hot List losing 16.2% and the Top Five Gurus portfolio falling 7.8%. Both strategies remain far ahead of the S&P 500 since their 2003 inceptions, however. And 11 of our 12 individual guru 10-stock portfolios are ahead of the market since inception, with 10 of them more than doubling the S&P and 7 more than tripling the index.

Here's a deeper look at some of our top-performing strategies, as well as both of the consensus approaches.

TOP 2011 GROWTH STRATEGIES

The Momentum Investor Strategy

The Momentum Investor's 2011 year was a great example of why sticking with a strategy is so important. The Momentum strategy is a fickle one from year to year; when investors are focusing on fundamentals and value, it tends to do poorly. But in years when fundamentals go out the window, it can do very, very well -- that's why through 2011 the Momentum Investor 10-stock portfolio was more than 2 percentage points per year ahead of the S&P 500 on an annualized basis, despite having lagged the index in five of the nine years since its inception.

For the year, the 10-stock portfolio gained 20.9%; its 20-stock cousin (which has now beaten the market in six of its nine years) gained 18.9%. The strategy focuses a good deal on price strength, looking for stocks with one-year relative strengths of at least 80, and preferably above 90, and it likes those relative strengths to be increasing over the past four months. It also targets stocks with strong earnings growth (at least 18% in the most recent quarter vs. the year-ago quarter, and at least 18% in the most recent year), high returns on equity, and significant insider and institutional ownership.

In 2011, the strategy found some big winners in a variety of areas. Among the biggest: Ulta Salon, Cosmetics & Fragrance, Inc., an Illinois-based mid-cap that the portfolios picked up on Oct. 1 of 2010. The stock made big gains through the end of 2010 and kept on surging in 2011, gaining about 90% until the 10-stock portfolio sold it on Dec. 23. The 20-stock portfolio held onto the stock through the end of the year.

Other strong performers for both the 10- and 20-stock portfolios included Hi-Tech Pharmacal, which gained about 46% from when the portfolios snatched it up on Aug. 5 through the end of the year, and PriceSmart, Inc., which gained 33.2% in a six-and-a-half month stint in the portfolios. The 20-stock portfolio also found a big winner in Richmont Mines, which surged 40% while being held for less than two months.

The James O'Shaughnessy-Based Strategy

The O'Shaughnessy-based portfolio was my second-best performer in 2011, with the 10-stock portfolio returning 13.3% and the 20-stock portfolio returning an even-better 17.5%. The approach is actually a hybrid strategy, choosing stocks using two models inspired by O'Shaughnessy's writings - one growth, and one value. Depending on market conditions, the strategy can lean (sometimes strongly) toward one model or the other in building the portfolios.

In 2011, many of the strategy's big winners came from the growth approach. (In fact, a 10-stock portfolio of only growth stocks I track returned 18.2% for the year, while a 10-stock value portfolio returned 2.1%.) The growth strategy targets stocks with market caps of at least \$150 million, and which have increased earnings per share in each year of the past half-decade. While it's a growth strategy, it also includes a key value component, requiring stocks to have a price/sales ratio less than 1.5. Finally, the strategy takes all the stocks that pass the market cap, earnings persistence, and price/sales tests and ranks them by 12-month relative strength; the 10 stocks (or 20 stocks for the larger portfolio) with the highest relative strengths make the cut. O'Shaughnessy found that the combination of a low price/sales ratio and high relative strength let you key on stocks that are being embraced by the market, but which haven't gotten too pricey.

The O'Shaughnessy growth approach found several big winners in the retail sector in 2011. One of the biggest was discounter Ross Stores, which joined the portfolio in May of 2010, had a nice run-up, and then gained another 50% or so in 2011. Fellow discounter TJX Companies gained about 17% from July 8 through the end of the year, Family Dollar gained 20% during its one-month stay in the portfolio early in the year, while yet another low-cost retailer, PriceSmart, Inc., gained 22.2% in a one-month stint in the portfolio in early fall.

There were winners from plenty of other areas of the market, too. World Fuel Services gained 23% in a one-month stint, MWI Veterinary Supply gained about 22% before being sold in mid-April, and healthcare sector firms HealthSpring and Catalyst Health Solutions gained 18.3% and 19.5%, respectively, while in the portfolio from mid-March to mid-May.

Whether growth continues to lead the market in 2012, or whether we see a return to value, the great thing about a strategy like O'Shaughnessy's is that it is nimble enough to profit in either climate. It's proven that over the long haul, with the 10-stock hybrid portfolio having averaged annual returns of 9.7% from its July 2003 inception through the end of 2011, far outpacing the S&P 500's 2.7% annualized return. The 20-stock portfolio has been even better, returning 10.6% annualized. I expect both portfolios will continue to far outpace the market over the long haul, thanks to their combination of growth and value criteria.

The Motley Fool Strategy

Based on the writings of brothers Tom and David Gardner, creators of The Motley Fool investment service, The Fool-based strategy didn't have a great 2011, with its 10-stock portfolio gaining just 1.0% and its 20-stock portfolio losing 8.7%. But it's included here because the 10-stock version added on to an impressive accomplishment, beating the S&P 500 for the ninth straight year (including the partial 2003 year). That makes it the only one of Validea.com's original portfolios to beat the market every year since inception.

The Gardners laid out their approach in the *Motley Fool Investment Guide: How the Fools Beat Wall Street's Wise Men and How You Can Too*, the book I used to develop my Small-Cap Growth Investor strategy. The approach centers on finding the stocks of small, fast-growing companies that have solid fundamentals. Healthy profit margins, low debt, strong cash flows, and good research and development budgets are all important to the strategy, which also uses the Price/Earnings-to-Growth ratio to help avoid fast-growing but overpriced stocks.

The Fool approach found a number of winners in 2011, including one that has been boosting its returns for more than two years now: Lululemon Athletica, a Canadian yoga-focused sports apparel retailer. Lululemon jumped about 36% in 2011, and, from the time the 10-stock Fool-based portfolio picked it up in November 2009 through the end of 2011 it had gained more than 250%.

Other nice winners for the strategy in 2011 included Travelzoo, Inc., which gained more than 80% during a two-month stint in the 10-stock portfolio, and Richmond Mines, which jumped more than 40% through year-end after the portfolio picked it up in early August. It took some hits on AmTech Systems, which fell nearly 60% in its six-and-a-half months in the portfolio, and IPG Photonics Corporation, which fell 35.1% over two months.

Over the long-term, the 10-stock Fool-based portfolio has not only beaten the market each year since inception; it has also done so by a very wide margin. Through the end of 2011 it had returned 202.8% (14.0% annualized) vs. 25.7% (2.7% annualized) for the S&P 500. The 20-stock portfolio hasn't performed as well, but it has still easily beaten the market over the long haul, returning 77.8% (7.0% annualized) vs. those same S&P figures.

TOP 2011 VALUE STRATEGIES

The Warren Buffett Strategy

Based on the most famous -- and perhaps greatest -- investing guru of all, the Buffett-based approach had a Buffett-like year in 2011. The 10-stock portfolio gained 10.2% while the S&P 500 was flat. The 20-stock Buffett-inspired portfolio also ended the year in the black, managing to return 2.7% in a very tough year for the broader market.

The Buffett model is based on the book *Buffettology*, written by Buffett's former daughter-in-law Mary Buffett, who worked closely with "The Oracle of Omaha". It is one of my most rigorous approaches, digging a full decade back into a firm's history to make sure it has the track record worthy of a Buffett-type pick. For example, the model requires that a company have produced an average return on equity of at least 15% over the past 10 years, with none of those years coming in below 10%. It also targets firms that have upped earnings per share in every year of the past decade, and those that have 10-year average returns on total capital of at least 12%.

The Buffett-based model also looks for stocks with strong balance sheets. It requires that a company have enough annual earnings that it could, if need be, pay off all debt within five years, and preferably within two years.

In 2011, the 10-stock portfolio was accurate -- i.e., it made money on -- 60.0% of its picks, which was the best of any of my models. The winners came from a variety of sectors. World Acceptance Corp., which had made strong gains while in the portfolio during the second half of 2010, continued its strong performance in 2011, and the portfolio sold it in May for an 82.1% profit. Discount retailer Ross Stores gained about 20% from the start of the year until it was sold in mid-June; after a month, the portfolio snatched it up again, and it gained another 20.5% until being sold in late December. Usana Health Sciences also gained about 20% from Sept. 2 through the end of the year, and discount retailer TJX Companies jumped about 25% after the portfolio picked it up in mid-April.

Like Buffett himself, the Buffett-inspired portfolios will often hold onto stocks for much longer periods than most of my other models. A big winner that has been in the 10-stock portfolio for more than two years, for example, is luxury retailer Coach, which continued to climb in 2011. The portfolio snatched it up in September of 2009, and as of the end of 2011 it was up more than 100% since then.

The Benjamin Graham Strategy

The Graham approach is based on the oldest strategy of all those that inspired my guru-based models, drawing on the stock-picking advice Graham laid out in his 1949 classic *The Intelligent Investor*. The Graham model reflects the conservative approach that Graham -- called the "Father of Value Investing" -- used. Having lived first through his own family's financial woes and then through the Great Depression, Graham focused as much on preserving capital as he did on generating big gains. He thus used some rigorous balance sheet tests to assess a business in which he was looking to invest. For example, my Graham-based model requires that a company have a current ratio (that is, current assets/current liabilities) of at least 2.0, a sign of strong liquidity. It also requires that a firm's long-term debt be no greater than the value of its net current assets. Those requirements helped the Graham approach find financially stable companies during the financial crisis, allowing it to minimize losses in what was a dreadful year for stocks.

Of course, since Graham is the "Father of Value Investing", the strategy looks at valuation in several ways. A stock's price/earnings ratio using both trailing 12-month earnings and three-year average earnings should be no greater than 15. It also requires that the product of a stock's P/E and price/book ratio be no greater than 22.

Those criteria have helped the Graham portfolio find a myriad of winners over the years, but in 2011 -- as will happen with even the best strategies -- the strategy had a down period. It lost 19.0% while the S&P 500 was flat, its worst performance relative to the index and on an absolute basis since its 2003 inception. Part of that underperformance was due to investors shunning fundamentals for much of the year, and part was due to a couple of picks that posted big losses for stock-specific reasons. Career Education Corp., for example, tumbled 59.7% in just one month in the fall, when its CEO resigned amid questions about the firm's lending practices and increasing regulatory scrutiny of for-profit education firms. LHC Group lost about 48% over a five-and-a-half month stint in the portfolio, as it downwardly revised its guidance a couple times. And China Integrated Energy fell about 48% as allegations of fraud emerged. My Guru Strategies rely on fundamentals and financials, and on the rare occasions when that data may be compromised -- as in the cases of Career Education and China Integrated Energy -- the strategies can get hit hard.

Still, the Graham approach found numerous winners in 2011. Among them were clothing retailer The Buckle (+25.2% in a month); National-Oilwell Varco (+47.9% in a month); and United Stationers (+20.6% in a month).

More importantly, the Graham-inspired 10-stock portfolio remains a big winner over the long term. From its July 2003 inception through the end of 2011, it had returned more than 150% -- that's annualized gains of 11.6% during a period in which the S&P 500 returned a total of 25.7%, or 2.7% annualized.

The 20-stock version has been even better. It did a much better job minimizing losses in 2011, falling 6.2%. And over the long term it had returned 223.7%, or 14.8% annualized, making it my best performer out of all the 10- and 20-stock portfolios. That long-term track record makes me believe that 2011 was more of an aberration than any sort of indication that the strategy has stopped working. As I said earlier, even the best strategies throughout history have had down years. As the global macroeconomic fears die down and investors return to fundamentals, I expect the Graham-based strategy to have a very strong rebound, and build on its exceptional long-term record.

2011 CONSENSUS STRATEGIES

The Validea Hot List

It was a difficult year for our flagship portfolio, which had its worst performance relative to the S&P 500 since its 2003 inception. While the S&P was flat for the year, the Hot List fell 16.2%. The 20-stock version fared a bit better, but still lost 12.1%.

For much of the year the 10-stock portfolio was actually faring quite well. On July 22, it was up 7.8%, and beating the S&P. It had found big winners in stocks like GT Advanced Technologies, which gained 33.1% in just one month, GameStop Corp., which jumped more than 40% from September 2010 through early July, and Ancestry.com Inc., which rose 17% in a one-month stint in the portfolio.

But as European debt fears heightened, and political squabbling brought the U.S. close to a historic default on its own debt, stocks tumbled, and the Hot List really suffered. In the two weeks between July 22 and August 5, the 10-stock portfolio fell about 15%. Over the next two weeks it fell another 8% or so, and it never recovered.

Some of the declines were no doubt due to more economically sensitive value-type picks being hit harder amid all the fear. There were also some stock specific issues. Lincoln Educational Services lost 40% during a one-month stint in the portfolio, thanks in large part to the firm's announcement that it was significantly decreasing its 2011 earnings outlook. AmTech Systems, meanwhile, lost about 57% during a four-month stint in the portfolio -- much of which came during the month of August, when the firm announced very strong sales and earnings numbers, but a dramatic decline in orders.

Another firm that took a big hit around that time -- but not just because of the economic concerns -- was GT Advanced Technologies, which had been a big winner during its earlier stint in the Hot List. On its return to the portfolio in September, GT was impacted by a number of factors specific to the solar industry, including one -- the bankruptcy of fellow solar firm Solyndra -- that was more of "guilt by association" than any real problem with GT itself. Nevertheless, the stock tumbled close to 40% during its one-month run in the portfolio.

That's not to say the Hot List didn't find some nice winners in 2011. Bridgepoint Education jumped about 28% from its mid-March purchase through year-end, Capella Education gained nearly 20% from its early September acquisition through year-end, and Jos. A. Bank Clothiers gained 17% in a one-month stint in the portfolio during the fall, for example.

All in all, however, the year was a frustrating one for the Hot List. But when you're running a focused portfolio, occasional painful losses on individual positions are inevitable. And for a fundamental-based system like ours, which removes emotion from the equation and focuses purely on cold hard facts, the portfolio can be particularly vulnerable at times when investors are letting fear get the best of them. This summer, between the broader market fears and some of the stock-specific issues we encountered, the market gave us a fairly painful one-two punch. But the portfolio is still far, far outperforming the market over the long haul; through year-end, the 10-stock Hot List was averaging annual returns of 10.1%, vs. just 2.7% for the S&P 500. The 20-stock portfolio, meanwhile, was averaging 8.7% annualized returns. Given their stellar long-term track records, I believe that 2011 will prove to be an aberration for the portfolios, and that we should see some strong bounce-back gains from the strategy soon.

The Top 5 Gurus Strategy

The Top 5 Gurus approach takes the five strategies that have the best historical risk-adjusted performance and selects each of those models' two highest-rated stocks (or four highest stocks, in the case of the 20-stock portfolio). This consensus-based approach has a very strong long-term history, with the 10-stock portfolio having averaged annual returns of 12.7% from its July 2003 inception through the end of 2011 and the 20-stock version averaging 8.3% (vs. the S&P 500's 2.7%). It was a down year in 2011 for the 10-stock Top 5 Gurus portfolio, however, which lost 7.8%. The 20-stock version actually outperformed though, returning 2.9%.

Interestingly, the 10-stock version actually made money 56.2% of its picks. It found big winners in Ross Stores, which it held through the entire year and gained about 50%; tech company SolarWinds, which jumped 27.8% while in the portfolio from Sept. 2 through Nov. 25; NIC Inc., which provides computer services to government agencies and gained 27.4% in two months; and Career Education Corp., which jumped more than 31% during a one-month stint in the portfolio.

But some big losers overrode those gains. ITT Educational Services lost 30% in a six-month run in the portfolio; Amtech Systems lost 38.7% in a month; and tech play NeoPhotonics lost 51.7% in a month.

The 20-stock portfolio found some additional big winners to push it into the black for the year. Among them: National-Oilwell Varco, which rose 47.9% in a one-month stint in the portfolio in the fall; Southern Copper, which jumped about 20% from Sept. 30 through the end of the year; and BP PLC, which gained 24.6% during a two-month stint in the portfolio.

Like the Hot List, the Top 5 Gurus strategy is an approach that has a strong long-term track record, and whose underlying strategies also have strong long-term track records. And, like the Hot List, I expect it will continue to be a top performer over the long haul, with some strong bounce-back gains likely in the face of its 2011 underperformance.

Looking Ahead

History has shown that while fundamentals and value may fall by the wayside for short periods in the stock market, investors always come back to them. So while emotion and macroeconomic

factors drove the market in 2011, I don't expect that to last forever, especially as the fundamental position of the market continues to improve. By most measures, including trailing 12-month price-to-earnings ratios, forward-looking price-to-earnings ratios, price-to-sales ratios, dividend yields, and price-to-book ratios, U.S. stocks as a group appear to be undervalued. And they are undervalued at a time when the U.S. economy has been picking up, with some much-needed, impressive gains in employment over the last few months leading the way.

The combination of attractive valuations, an improving economy, and a corporate sector that has become much more efficient and streamlined in recent years -- not to mention a financial sector that is in far better, less risky position than it was a few years ago -- bodes well for stocks going forward. Yes, the European debt crisis is scary, and the U.S. has its own debt and deficit troubles to worry about. But with many investors not only fearing but expecting the worst on those fronts, some very bad scenarios are already baked into stock prices. That certainly doesn't mean that stocks can't go lower; but it does mean that the downside should be somewhat limited, while the upside should be significant.

As the fears fade, investors should return to fundamentals and value, and that bodes very well for fundamental-focused strategies like ours. In addition, history has shown that after periods of underperformance, good strategies don't just return to their typical performance; often, they then have strong bounce-backs and fare better than their historical averages, as investors being to snatch up all the bargains that have been overlooked in the market. Given the wide array of fundamentally strong, financially sound stocks that fearful investors have been overlooking in the past several months, I think that type of outperformance is a distinct possibility for many of our models in the not-so-distant future.

(For the historical performance of all of Validea's models, please see the accompanying table on the next page.)

VALIDEA'S MODEL PERFORMANCE CHART

10-Stock, Monthly Rebalanced Model Portfolios		Annual Portfolio Return (excluding dividends)								
Portfolio	Based on Book by or About	2003	2004	2005	2006	2007	2008	2009	2010	2011
Value Investor	Benjamin Graham	45.1%	21.5%	10.4%	26.0%	-8.1%	-14.1%	31.4%	22.6%	-19.0%
Price/Sales Investor	Kenneth Fisher	30.7%	26.0%	-2.7%	40.0%	19.1%	-36.9%	30.2%	20.2%	-4.8%
Small-Cap Growth Investor	Motley Fool	19.8%	22.5%	9.6%	22.2%	23.3%	-25.0%	38.5%	19.2%	1.0%
Growth Investor	Martin Zweig	32.1%	54.8%	5.8%	17.3%	5.2%	-48.5%	14.3%	19.7%	1.7%
Contrarian Investor	David Dreman	36.2%	30.0%	18.4%	34.3%	-12.0%	-54.9%	37.6%	23.1%	-13.7%
Growth/Value Investor	James P. O'Shaughnessy	51.6%	1.0%	22.4%	24.0%	-3.9%	-46.8%	32.0%	23.1%	13.3%
P/E/Growth Investor	Peter Lynch	39.6%	34.7%	8.4%	23.3%	-13.5%	-43.4%	45.7%	14.1%	-21.4%
Patient Investor	Warren Buffett	2.0%	37.3%	-4.6%	16.5%	-12.2%	-39.8%	50.3%	6.3%	10.2%
Momentum Investor	Validea	31.6%	5.9%	13.7%	-15.2%	37.0%	-45.0%	12.5%	9.1%	20.9%
Book/Market Investor	Joseph Piotroski	N/A	39.9%	9.0%	17.9%	-4.9%	-37.3%	6.8%	55.9%	-24.4%
Low PE Investor	John Neff	N/A	21.2%	15.1%	22.3%	-1.9%	-48.4%	45.4%	0.1%	-10.5%
Earnings Yield Investor	Joel Greenblatt	N/A	N/A	-2.8%	14.4%	9.1%	-26.3%	63.1%	13.0%	-15.3%
Validea Hot List	Validea/Consensus Model	56.9%	23.5%	14.5%	28.5%	-11.6%	-35.0%	47.0%	12.0%	-16.2%
Top Five Gurus	Validea/Consensus Model	46.4%	29.5%	8.8%	-2.1%	5.5%	-31.0%	55.3%	31.0%	-7.8%
S&P 500	N/A	11.1%	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%	12.8%	0.0%

- All Models except for and Earnings Yield Investor, Book/Market Investor, Low PE Investor, Patient Investor portfolios began on July 15th, 2003. Inception Dates for: Earnings Yield Investor (12/2/2005), Book/Market Investor (2/27/2004), Low PE Investor (1/2/2004) and Patient Investor (12/5/2003)
- All Models based on 10-stock portfolios that are rebalanced monthly. Rebalancing occurs once every 28 days and constructs an equally weighted portfolio.
- Validea Hot List and Top Five Guru Models are based on a blend of individual guru models.
- Returns do not include dividends or transaction costs.

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