STOCK SUPERSTARS REPORT

AAII's Stock Superstars Report 2025 Portfolio Review

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Stock Superstars Report

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Lessons From the Stock Superstars Report Strategy: 2025 in Review
Harnessing the Power of “Guru” Investors

- Overview of the Stock Superstar Report Genesis
- Overview of SSR and Stock Market Performance
- Review Holdings From Each Approach To Help Understand Each Approach

Popular Approaches

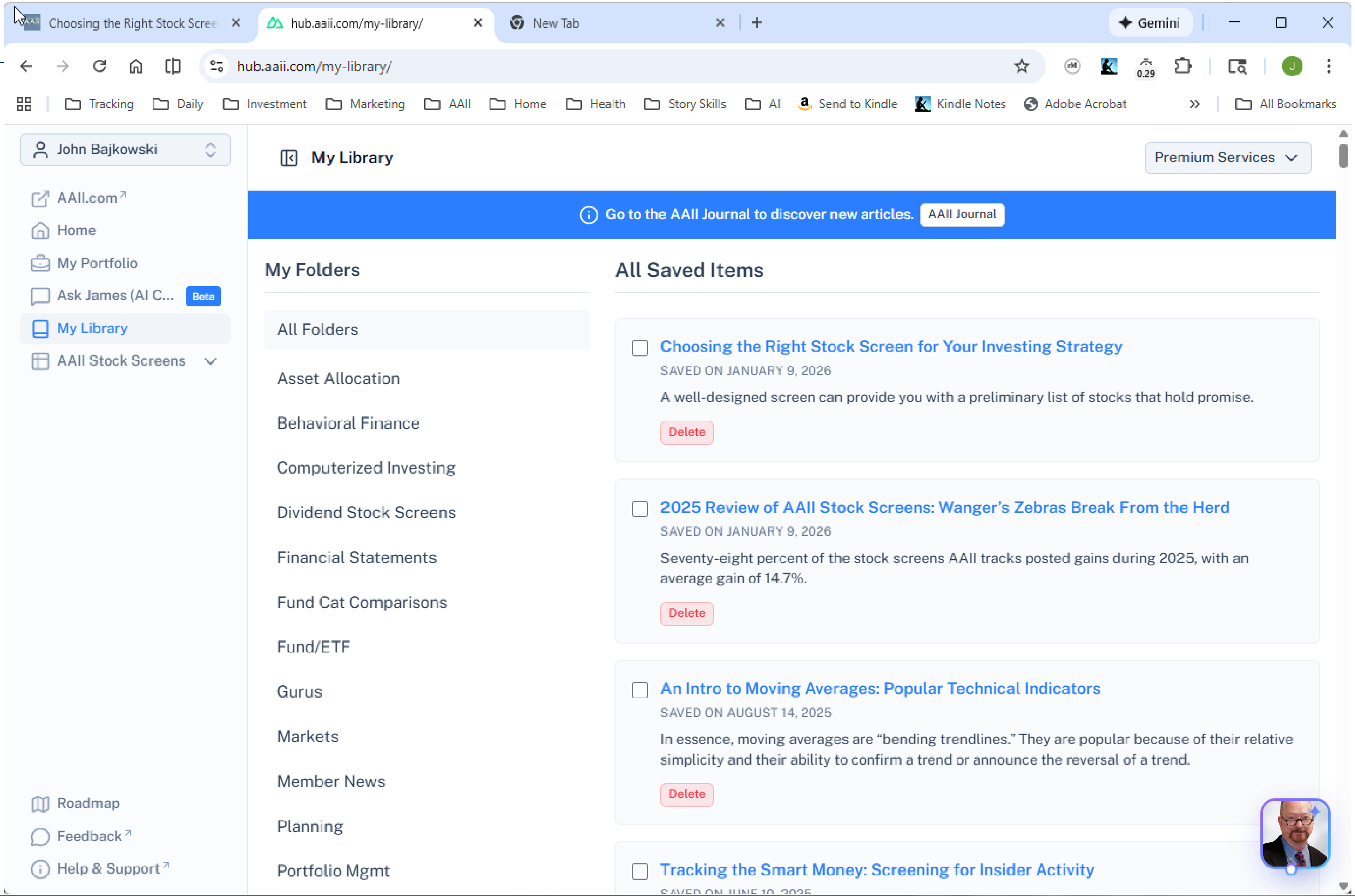
- AAII has examined the characteristics of successful investors (Guru) and common factors
- AAII's superstar guru screens are inspired by their works and philosophies
  - The passing companies do not necessarily reflect stocks they would invest in
- Tracking performance of our interpretation of these approaches on AAII.com
- Tables of companies passing screens and performance results available on AAII.com within "Stocks" section of site

AAII Stock Screens

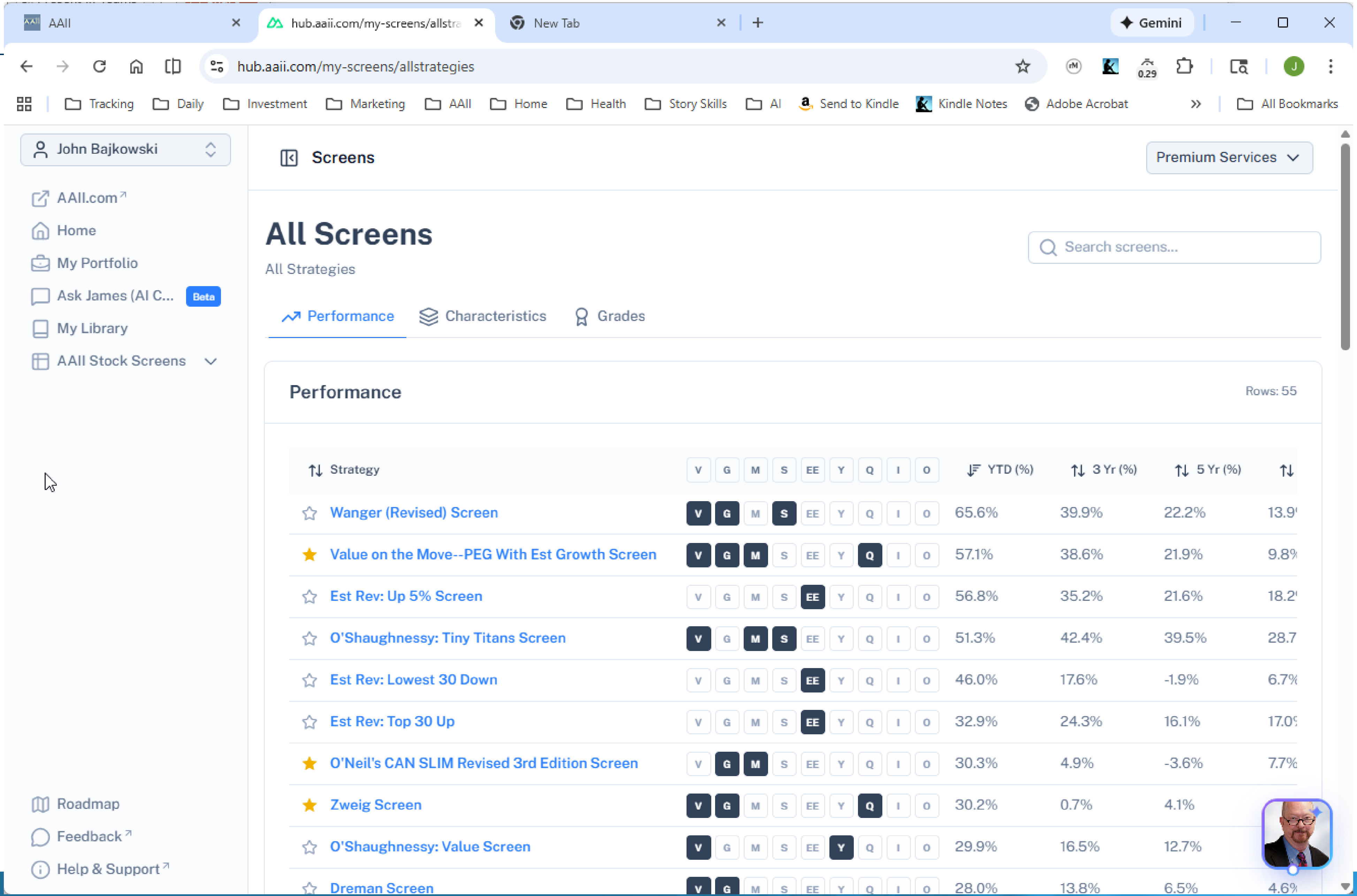
- Screens can help to identify and analyze stocks in an organized, systematic and disciplined fashion
- Passing companies represent candidates for consideration which capture the style of each approach
- Challenge of establishing portfolio management rules consistent with each approach
- Challenge of selecting approaches which are complimentary with each other

Stock Strategies Presented in AAII Journal

Theory & Ideas



AAII Stock Screens



AAII Stock Screen Performance History (1998 - 2025-12/12)

Strategy	Average Annual Price Gain/(Loss) (%) 3 Yr	5 Yr	10 Yr	20 Yr	Since Incep	Risk Adj Return (%)	Gain/(Loss) (%) 10/2022-12/12/25	Bear 1/2022-9/2022	Monthly Variability Largest Gain	Loss	% of Pos Yrs	% Yrs Above S&P 500	Risk Index (X)	Std Dev (%)	r2 S&P 500	r2 S&P Mid	r2 S&P Small	r2 S&P 500 Grth	r2 S&P 500 Val	r2 S&P Mid Grth	r2 S&P Mid Val	r2 S&P Small Grth	r2 S&P Small Val	YTD*	2024	2023	2022	2021
O'Shaughnessy: Tiny Titans	44.8	40.9	29.3	18.0	23.7	16.8	249.9	(1.9)	56.2	-35.9	79	79	2.04	31.2	34	44	49	29	33	42	41	47	46	56.3	47.3	31.9	13.0	61.9
Est Rev: Up 5%	36.4	22.3	18.6	19.5	20.8	16.4	173.0	(20.4)	30.8	-27.7	79	75	1.71	26.1	49	60	61	48	42	63	50	63	53	55.3	34.3	21.9	-14.5	25.9
Est Rev: Top 30 Up	25.1	16.5	17.3	18.8	20.5	16.1	120.4	(18.6)	36.4	-27.1	75	71	1.74	26.6	51	64	65	48	44	68	54	68	57	32.6	40.3	5.3	-8.5	19.9
O'Neil's CAN SLIM	13.6	13.4	10.6	12.9	18.7	14.8	43.3	(13.8)	69.6	-23.1	64	68	1.86	28.4	9	12	15	7	8	12	12	15	15	-10.9	39.3	18.2	-15.8	52.0
Graham—Enterprising Inv Rev	9.9	18.4	11.9	16.1	17.6	14.5	48.7	(1.6)	36.4	-22.4	68	64	1.75	26.8	29	37	39	18	37	29	42	34	42	-0.3	-11.5	50.5	10.2	59.2
O'Shaughnessy: SmCp Grth & Val	18.6	32.9	19.7	15.1	18.0	14.4	86.9	(20.9)	77.9	-30.2	75	64	1.85	28.3	31	44	50	24	33	41	43	46	48	7.8	38.9	11.5	-11.4	180.6
O'Shaughnessy: Growth II	19.2	27.1	18.2	12.3	16.4	14.1	91.0	(3.7)	45.0	-28.5	79	57	1.61	24.6	47	63	67	38	48	59	60	65	64	-3.8	54.1	14.3	8.5	80.4
Stock Market Winners	9.7	(1.7)	4.1	8.5	14.5	13.3	33.0	(24.1)	22.0	-24.9	68	61	1.38	21.1	12	18	20	9	15	16	18	19	18	-4.8	34.3	3.3	-23.5	-9.0
Driehaus Revised	11.2	12.6	8.8	14.8	16.7	13.1	46.1	(17.7)	85.8	-54.9	64	57	2.25	34.4	20	30	36	17	18	32	25	37	30	-8.3	10.4	35.8	-12.6	50.9
Price-to-Free-Cash-Flow	10.2	14.3	9.4	12.4	15.1	12.9	50.3	(20.7)	51.2	-40.4	75	57	1.86	28.4	48	60	64	34	58	48	68	56	65	16.6	-6.9	23.3	-11.0	63.4
Dreman With Est Revisions	19.6	15.0	12.9	14.3	14.0	12.8	134.6	(23.8)	30.9	-34.0	86	71	1.47	22.5	45	55	50	33	52	46	58	45	48	23.1	16.8	19.1	4.4	12.2
P/E Relative	16.3	11.7	12.0	11.4	13.2	12.7	69.0	(20.7)	18.4	-25.4	75	61	1.18	18.1	64	76	70	48	71	64	81	64	70	11.6	12.0	25.7	-14.7	29.5
Buffett: Hagstrom	17.0	11.2	11.8	11.4	12.9	12.6	72.8	(23.6)	16.0	-19.0	86	71	1.14	17.5	76	79	71	69	69	78	73	72	66	8.2	15.5	28.1	-17.5	28.6
Value on the Move—PEG w/Est Grth	38.2	21.7	9.7	10.7	13.5	12.6	196.0	(30.3)	17.3	-31.8	79	61	1.42	21.7	56	69	68	46	56	65	66	68	62	55.7	25.1	35.6	-21.9	29.4
O'Neil's CAN SLIM No Float	23.6	8.5	10.3	8.6	13.1	12.3	77.3	(23.7)	23.5	-35.5	82	57	1.36	20.8	40	45	45	38	34	48	38	48	38	16.5	34.7	20.5	-28.4	11.0
Lakonishok	19.2	11.2	13.6	12.8	12.7	12.2	83.4	(22.4)	17.0	-23.4	71	61	1.24	19.0	54	73	70	42	58	67	72	67	67	27.8	33.9	-0.9	-16.0	19.4
Buffettology: Sustainable Growth	23.6	14.3	17.8	13.7	12.7	12.1	111.5	(22.8)	17.7	-20.4	86	68	1.31	20.1	71	78	73	63	66	74	74	74	69	19.0	20.4	31.9	-13.6	19.2
Neff	16.8	11.2	8.6	7.5	13.2	12.1	85.5	(29.1)	32.6	-31.3	71	57	1.62	24.8	57	69	68	43	65	59	72	63	67	14.2	7.8	29.6	-17.6	29.5
Value on the Move—PEG w/Hist Grth	24.4	15.0	11.3	10.0	12.3	12.0	105.7	(23.3)	14.6	-24.9	86	68	1.14	17.4	59	75	77	48	59	71	70	76	70	19.1	31.3	23.0	-18.0	27.3
Kirkpatrick Growth	25.2	16.3	13.6	12.1	13.5	11.9	96.0	(7.4)	64.1	-23.1	61	57	1.92	29.4	23	32	34	24	17	39	22	37	29	18.5	45.3	14.2	-7.6	17.0
O'Neil's CAN SLIM Rev 3rd Ed	5.6	(3.2)	7.9	10.0	13.5	11.9	19.4	(43.6)	52.7	-26.7	64	50	1.91	29.2	17	22	23	20	11	27	15	26	19	32.9	-6.0	-5.8	-42.7	25.8
Piotroski: High F-Score	5.9	0.8	(3.6)	5.1	12.9	11.6	21.5	(28.8)	43.1	-42.0	68	46	2.06	31.4	25	33	34	19	29	28	35	30	34	6.5	6.6	4.6	-27.2	20.3
Return on Equity	21.3	12.1	13.7	9.9	11.8	11.4	95.1	(16.5)	20.6	-22.2	75	64	1.30	19.9	66	77	76	59	60	76	70	77	71	10.5	29.2	25.1	-8.8	8.5
Price-to-Sales	10.2	6.4	9.3	7.8	11.5	11.1	41.9	(20.8)	18.3	-20.6	75	46	1.36	20.7	58	72	79	47	61	65	72	75	77	16.1	3.4	11.6	-16.1	21.3
Graham—Defensive Inv (Non-Util)	4.6	5.4	5.8	8.6	11.3	11.0	30.1	(22.7)	25.8	-18.3	75	57	1.36	20.9	50	66	68	36	58	56	69	62	70	2.7	-6.3	19.0	-12.1	29.4
Buffettology: EPS Growth	24.1	12.5	14.2	11.9	11.1	10.9	110.7	(27.4)	16.0	-20.8	86	71	1.27	19.4	73	82	77	65	68	79	76	77	71	19.9	21.6	31.1	-19.9	17.6
Driehaus	34.2	7.1	10.2	15.0	11.4	10.8	103.2	(23.1)	51.3	-34.3	64	57	2.27	34.7	29	35	43	29	23	40	28	46	35	22.0	17.6	68.8	-35.5	-9.8

AAII Stock Screen Performance History (1998 - 2025-12/12)

Strategy	Average Annual Price Gain/(Loss) (%) 3 Yr	5 Yr	10 Yr	20 Yr	Since Incep	Risk Adj Return (%)	Gain/(Loss) (%) 10/2022-12/12/25	Bear 1/2022-9/2022	Monthly Variability Largest Gain	Loss	% of Pos Yrs	% Yrs Above S&P 500	Risk Index (X)	Std Dev (%)	r2 S&P 500	r2 S&P Mid	r2 S&P Small	r2 S&P 500 Grth	r2 S&P 500 Val	r2 S&P Mid Grth	r2 S&P Mid Val	r2 S&P Small Grth	r2 S&P Small Val	YTD*	2024	2023	2022	2021
Zweig	10.3	10.0	5.6	1.7	10.8	10.6	55.9	(14.1)	62.6	-24.2	68	57	1.97	30.1	30	36	30	25	29	34	33	30	31	38.4	-23.0	26.0	-0.3	20.2
Kirkpatrick Value	(16.5)	(1.9)	2.3	2.4	10.3	10.3	(34.4)	(13.7)	49.0	-32.1	61	54	2.15	32.9	12	17	18	7	15	14	18	15	19	-63.5	23.2	29.6	-2.8	60.7
Dual Cash Flow	16.8	8.1	8.5	5.7	10.1	10.0	72.7	(32.7)	34.7	-26.5	71	46	1.56	23.8	56	62	65	47	55	57	61	62	64	15.8	17.9	16.8	-27.1	27.0
Templeton	22.2	11.0	8.2	8.2	9.0	8.5	94.6	(17.1)	21.3	-37.6	79	54	1.46	22.3	49	58	51	41	50	53	57	50	47	0.9	13.3	59.7	-11.6	4.5
O'Shaughnessy: Grth Mkt Leaders	17.0	16.1	13.0	8.6	8.8	8.4	88.4	(5.0)	20.7	-18.6	79	43	1.24	18.9	58	61	55	48	57	59	57	52	54	9.7	34.8	8.4	11.6	18.1
O'Shaughnessy: All Cap	5.0	4.0	7.1	5.0	9.0	8.3	27.4	(30.0)	24.0	-32.0	68	39	1.60	24.5	51	64	65	34	62	51	71	57	68	5.8	-8.2	19.1	-22.9	36.7
Dividend (High Relative Yield)	9.3	11.4	9.9	7.5	8.4	8.2	48.5	(10.9)	15.5	-21.3	71	50	1.09	16.7	59	71	71	40	74	57	80	63	74	8.2	15.4	4.5	1.4	29.6
Weiss Blue Chip Div Yield	1.3	2.2	6.6	6.9	8.5	8.0	15.4	(11.7)	16.0	-16.9	75	54	1.30	19.9	50	57	52	38	56	49	60	49	53	-4.5	-4.0	13.3	-1.8	9.5
Wanger (Revised)	39.9	22.3	14.0	10.8	8.7	8.0	205.6	(13.0)	35.1	-19.8	64	64	1.51	23.1	49	58	57	43	46	55	55	57	55	65.9	48.3	11.5	-3.0	2.8
Lynch	16.9	15.6	7.1	4.9	8.2	7.7	81.8	(2.7)	18.9	-28.1	75	46	1.25	19.1	42	50	48	32	47	43	52	44	46	14.6	12.8	23.7	10.5	16.9
Fundamental Rule of Thumb	(5.0)	(7.7)	(0.5)	1.3	8.2	6.7	(12.8)	(35.9)	33.8	-24.4	61	46	1.72	26.3	46	57	57	40	45	53	54	56	54	-19.7	-15.0	25.7	-34.8	19.8
Dreman	13.8	6.5	4.6	4.3	7.0	6.1	56.3	(31.1)	23.9	-31.4	61	54	1.29	19.7	50	64	58	33	63	52	71	52	58	28.1	17.7	-2.1	-26.9	27.1
Graham—Defensive Inv (Util)	8.6	7.3	5.9	5.4	6.0	5.9	38.9	(5.8)	14.0	-13.7	75	50	1.04	15.9	22	26	20	13	32	19	31	18	22	24.5	12.3	-8.4	2.1	8.8
Cash Rich Firms	7.3	(1.3)	2.4	2.7	6.7	5.4	36.5	(35.4)	19.8	-20.7	68	43	1.36	20.8	58	68	69	51	55	64	65	67	66	6.3	-0.3	16.5	-28.6	6.5
Magic Formula	21.9	9.5	7.2	5.0	6.5	4.3	92.0	(25.7)	30.7	-22.5	61	36	1.61	24.6	49	61	62	40	51	55	62	58	61	36.4	17.2	13.5	-21.3	10.4
Rule #1 Investing	31.6	8.9	5.7	6.1	7.4	4.1	205.1	(54.4)	44.3	-54.2	68	43	2.14	32.7	44	45	42	39	41	42	44	40	38	19.9	63.2	16.7	-39.1	10.0
Kirkpatrick Bargain	17.0	6.6	4.4	6.4	5.7	3.8	61.7	(22.1)	28.7	-29.7	68	43	1.41	21.6	39	49	48	30	42	44	49	46	45	14.7	4.6	33.6	-21.4	9.1
O'Shaughnessy: Value	16.9	12.9	9.1	4.3	5.3	3.8	85.6	(18.3)	22.0	-23.8	71	39	1.30	19.9	68	67	58	47	82	54	74	52	61	31.0	13.0	7.9	1.6	21.1
ADR	5.7	(3.7)	1.3	3.1	5.0	2.7	27.9	(29.9)	31.1	-29.7	61	54	1.44	22.0	43	50	50	34	46	47	48	49	48	17.5	-3.2	3.8	-24.1	-7.4
Dogs of the Dow	6.5	4.9	5.1	4.4	2.9	1.8	41.9	(18.9)	17.1	-23.4	61	32	1.15	17.6	59	50	45	39	74	40	56	40	48	21.4	-3.6	3.1	-4.7	10.6
Muhlenkamp	19.0	18.0	13.2	(1.0)	4.4	0.6	81.3	(15.7)	30.5	-27.7	64	54	1.63	24.9	34	44	48	24	40	36	47	43	49	9.6	51.6	1.4	-9.3	49.9
Fisher (Philip)	1.8	(7.7)	4.2	2.8	5.6	0.2	(14.7)	(3.4)	32.8	-27.9	50	29	2.17	33.2	36	39	36	32	34	38	36	37	34	-22.6	16.9	16.7	-21.9	-18.5
T. Rowe Price	(10.0)	(11.3)	(5.3)	0.7	4.5	(0.5)	(46.9)	(51.8)	33.5	-32.6	61	39	1.87	28.6	23	26	24	21	21	25	25	24	20	0.0	-30.1	4.4	-65.0	114.2
Dogs of the Dow: Low Priced 5	(2.0)	(1.1)	0.2	1.0	1.4	(2.1)	5.5	(21.4)	27.6	-34.8	61	39	1.40	21.5	47	37	35	30	60	30	42	31	38	13.6	-16.6	-0.7	-12.0	13.9
Schloss	8.7	(2.0)	(4.0)	(1.8)	4.0	(2.6)	62.2	(38.9)	31.9	-40.4	54	29	2.04	31.2	22	22	24	19	21	19	23	22	25	-3.0	7.7	22.9	-22.8	-8.9
Est Rev: Down 5%	10.0	(4.3)	4.8	1.6	0.6	(8.4)	46.8	(38.4)	33.5	-30.5	57	36	1.94	29.6	64	71	73	54	64	65	70	70	72	26.9	-9.7	16.2	-32.1	-11.0
Est Rev: Lowest 30 Down	18.1	(1.6)	6.9	1.7	0.3	(12.3)	66.3	(38.8)	43.0	-29.9	54	39	2.26	34.6	59	65	65	52	57	61	63	64	63	50.6	-10.3	22.0	-38.2	-9.5
Insider Net Purchases	(15.5)	(24.8)	(6.4)	(6.4)	(3.6)	(18.7)	(38.6)	(39.3)	27.9	-29.2	46	29	2.09	32.0	37	45	48	35	31	48	39	50	43	-2.9	-15.5	-26.6	-38.1	-35.3

The Stock Superstars Report

- Take the "best of the best" from AAII stock screens
- Approaches that have performed well over the long-term and various market environments
- Differing investment styles that perform better at different points in the market cycle
- Quantitative (rules-based) buy and sell decisions
- Combine into a diversified portfolio
  - Style diversification
  - Sector/industry diversification
  - Size diversification

S&P 500 Sectors	Total Returns 2025	2024	2023	2022	2021	2020	2019
Communication Services	33.6%	40.2%	55.8%	(37.7%)	16.0%	23.6%	32.7%
Information Technology	24.0%	36.6%	57.8%	(27.6%)	34.7%	43.9%	50.3%
Industrials	19.4%	17.5%	18.1%	(5.5%)	21.1%	11.1%	29.3%
Utilities	16.0%	23.4%	(7.1%)	1.6%	17.7%	0.5%	26.4%
Financials	15.0%	30.6%	12.2%	(10.5%)	35.0%	(1.8%)	32.1%
Health Care	14.6%	2.6%	2.1%	(2.0%)	26.1%	13.5%	20.9%
Materials	10.5%	(0.0%)	12.6%	(12.3%)	27.3%	20.7%	24.6%
Energy	8.7%	5.7%	(1.3%)	64.6%	53.4%	(33.7%)	11.8%
Consumer Discretionary	6.0%	30.1%	42.4%	(36.2%)	28.0%	33.3%	27.9%
Consumer Staples	3.9%	14.9%	0.5%	(0.7%)	17.3%	10.8%	27.6%
Real Estate	3.2%	5.2%	12.4%	(26.1%)	46.2%	(2.2%)	29.0%
S&P Indexes	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
S&P 500	17.9%	25.0%	26.3%	(18.1%)	28.7%	18.4%	31.5%
S&P 500 Growth	22.2%	36.1%	30.0%	(29.4%)	32.0%	33.5%	31.1%
S&P 500 Value	13.2%	12.3%	22.2%	(5.2%)	24.9%	1.4%	31.9%
S&P MidCap 400	7.5%	13.9%	16.4%	(13.1%)	24.8%	13.7%	26.2%
S&P MidCap 400 Growth	7.5%	15.9%	17.5%	(19.0%)	18.9%	22.8%	26.3%
S&P MidCap 400 Value	7.6%	11.7%	15.4%	(6.9%)	30.7%	3.7%	26.1%
S&P SmallCap 600	6.0%	8.7%	16.1%	(16.1%)	26.8%	11.3%	22.8%
S&P SmallCap 600 Growth	5.4%	9.6%	17.1%	(21.1%)	22.6%	19.6%	21.1%
S&P SmallCap 600 Value	6.7%	7.6%	14.9%	(11.0%)	31.0%	2.5%	24.5%

Source: S&P Dow Jones Indices LLC. Data as of 12/31/2025.

Model Portfolio Sector Holdings

Sector	SSR Individual Groups: Group 1	Group 2	Group 3	Group 4	SSR Model Portfolio: #	% of Value	S&P 500	S&P MidCap 400	S&P SmallCap 600	Relative Strength Index: 4-Wk	52-Wk	Trailing P/E Ratio (X)	Forward P/E Ratio (X)
Energy	0.0%	0.0%	10.0%	0.0%	1	2.9%	2.5%	3.9%	4.9%	(1)	(13)	16.4	14.3
Materials	0.0%	0.0%	17.7%	0.0%	1	5.2%	1.7%	5.3%	5.2%	6	10	25.3	18.9
Industrials	30.9%	9.2%	18.1%	5.1%	7	14.3%	7.5%	23.4%	17.6%	3	(9)	26.3	22.3
Consumer Discretionary	31.0%	11.4%	0.0%	30.0%	7	16.4%	10.3%	12.4%	12.7%	1	(16)	21.2	18.6
Consumer Staples	0.0%	12.2%	0.0%	0.0%	2	2.6%	5.0%	4.7%	3.0%	(1)	(22)	22.6	15.1
Health Care	9.1%	0.0%	9.4%	36.5%	6	14.5%	8.8%	9.0%	10.9%	0	(20)	27.7	19.8
Financials	14.6%	49.0%	20.1%	8.1%	9	21.3%	13.0%	16.3%	17.8%	1	(2)	13.3	11.8
Information Technology	14.5%	0.0%	10.8%	20.3%	3	11.4%	31.2%	13.8%	16.1%	(2)	(18)	31.7	26.0
Communication Services	0.0%	7.7%	13.9%	0.0%	3	5.7%	16.4%	2.3%	2.9%	(2)	(16)	16.4	15.0
Utilities	0.0%	10.4%	0.0%	0.0%	1	2.3%	2.0%	3.0%	2.1%	1	(1)	19.4	19.2
Real Estate	0.0%	0.0%	0.0%	0.0%	0	0.0%	1.6%	6.1%	6.8%	2	(19)	29.3	29.3

Source: AAII Stock Investor Pro *and S&P Global. Data as of 1/8/2026.*

Annual Return	SSR*	Group 1 O'Neil*	Group 4 Neff*	IYY (G1 & G4)*	Group 2 Dreman**	IYY G2**	Group 3 O'Shaugh***	IYY G3***
1 Month	**(0.5%)**	**1.0%**	**(2.5%)**	**0.5%**	**0.3%**	**0.5%**	**(0.1%)**	**0.5%**
YTD	3.7%	(2.6%)	3.6%	17.6%	3.3%	17.6%	8.3%	17.6%
1 Yr	3.7%	(2.6%)	3.6%	17.6%	3.3%	17.6%	8.3%	17.6%
2 Yr	10.9%	16.2%	2.6%	20.9%	14.4%	20.9%	13.7%	20.9%
3 Yr	15.3%	16.2%	10.6%	22.7%	16.9%	22.7%	18.8%	22.7%
5 Yr	10.7%	8.5%	13.1%	13.4%	10.4%	13.4%	11.8%	13.4%
10 Yr	11.6%	12.9%	10.9%	14.3%	10.8%	14.3%		
15 Yr	11.7%	13.7%	9.2%	13.5%	12.5%	13.5%		
20 Yr	8.6%	10.2%	8.1%	10.7%				
25 Yr								
Inception (ann'l)	**9.2%**	**10.6%**	**10.8%**	**9.7%**	**9.4%**	**10.8%**	**20.4%**	**17.6%**
Inception Total	**733.9%**	**1,017.8%**	**1,076.8%**	**826.1%**	**479.4%**	**628.8%**	**453.8%**	**150.4%**
Inception Age	24.00	24.00	24.00	24.00	19.33	19.33	5.67	5.67
Risk Index (3yr)	**1.29**	**1.88**	**1.50**		**1.38**		**1.57**	
Risk Index (Incp)	1.16	1.32	1.42		1.24		1.43	

*SSR portfolio, G1 & G4 portfolios inception 1/1/2002

*G2 portfolio inception 9/1/2006

*G3 inception 4/30/2020

Data through 12/31/25

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Performance							
		Stock Superstars Portfolio	Group1	Group2	Group3	Group4	iShares DJ U.S. (IYY)
Total Return	December	(0.5%)	1.0%	0.3%	(0.1%)	(2.5%)	0.5%
	2025	3.7%	(2.6%)	3.3%	8.3%	3.6%	17.6%
	2024	18.7%	38.6%	26.7%	19.4%	1.5%	24.2%
	2023	24.5%	16.4%	21.9%	29.7%	28.4%	26.3%
	2022	(16.0%)	(27.7%)	(13.2%)	(19.1%)	(5.6%)	(19.5%)
	2021	29.2%	32.6%	18.3%	28.7%	45.3%	26.3%
	2020	12.9%	20.1%	3.0%	25.0%	(3.0%)	20.2%
	2019	32.6%	31.0%	28.5%	49.6%	25.9%	30.9%
	2018	(10.8%)	3.9%	(10.3%)	(16.5%)	(18.4%)	(5.1%)
	2017	18.0%	22.2%	15.8%	0.7%	40.0%	21.2%
	2016	13.8%	12.3%	23.3%	7.4%	8.4%	12.0%
	2015	(3.1%)	0.9%	5.9%	5.8%	(17.2%)	0.5%
	2014	4.4%	7.5%	8.7%	(9.1%)	3.0%	12.7%
	2013	44.0%	40.3%	38.6%	54.3%	44.5%	32.6%
	2012	16.2%	19.6%	19.8%	5.8%	15.8%	16.1%
	2011	4.3%	11.3%	10.5%	3.5%	(6.5%)	1.1%
	2010	19.5%	22.7%	15.7%	14.7%	21.5%	16.4%
	2009	34.3%	40.1%	23.0%	40.2%	33.6%	28.5%
	2008	(43.5%)	(41.5%)	(34.2%)	(55.2%)	(35.8%)	(37.2%)
	2007	5.5%	3.6%	(5.4%)	14.0%	10.3%	5.8%
	2006	3.0%	(1.8%)	15.7%	(14.4%)	9.5%	15.3%
	2005	(0.3%)	16.2%	(12.5%)	5.9%	(3.2%)	6.1%
	2004	14.3%	4.8%	16.1%	20.6%	17.7%	11.8%
	2003	40.2%	31.4%	20.7%	37.3%	71.9%	30.4%
	2002	0.5%	(0.2%)	(21.4%)	(6.1%)	27.7%	(22.1%)
	Inception	**733.9%**	**1017.8%**	**479.4%**	**453.8%**	**1076.8%**	**826.1%**
	Inception (Ann'l)	**9.2%**	**10.6%**	**7.6%**	**7.4%**	**10.8%**	**9.7%**
Risk	Risk Index	1.29	1.88	1.38	1.57	1.50	1.00
	Std. Dev.	16.0%					12.4%

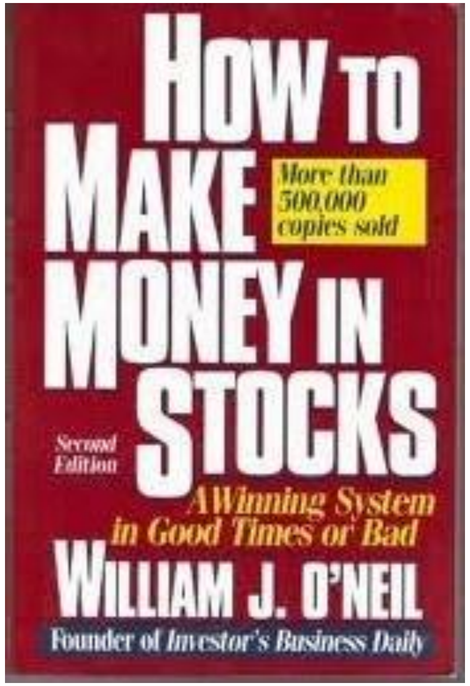
Performance as of 12/31/2025.

	Annual Portfolio Turnover	Average Buys/Sells Per Year	Annual Return	Standard Deviation
Inception	**40.8%**	**20**	**9.2%**	**17.5%**
2025	28.7%	17	3.7%	11.0%
2024	43.5%	33	18.7%	18.4%
2023	26.8%	18	24.5%	16.5%
2022	30.2%	15	(16.1%)	22.9%
2021	23.3%	13	29.2%	9.8%
2020	46.0%	20	16.7%	31.9%
2019	17.6%	8	(10.8%)	16.4%
2018	30.2%	14	18.0%	14.8%
2017	27.8%	12	18.0%	5.9%
1905	28.4%	12	13.8%	12.7%
2015	27.6%	14	(3.1%)	11.5%
2014	27.2%	12	4.4%	11.4%
2013	23.7%	13	43.9%	9.6%
2012	38.2%	15	16.1%	11.2%
2011	27.2%	12	4.3%	18.6%
2010	35.6%	14	19.5%	21.7%
2009	44.7%	17	34.3%	24.5%
2008	39.8%	21	(43.5%)	28.3%
2007	49.3%	19	5.5%	8.9%
2006	70.5%	29	3.0%	11.4%
2005	71.2%	27	(0.3%)	10.9%
2004	56.0%	28	14.3%	11.8%
2003	70.5%	31	40.2%	11.9%
2002	95.8%	83	0.5%	17.0%

Meet the Stock Superstars

- William O’Neil
  - Earnings and price momentum approach for identifying promising growth stocks
- David Dreman
  - Value investing with an earnings revision & surprise twist
- James O’Shaughnessy
  - Factor-based approach for value, financial strength & earning quality
- John Neff
  - A contrarian “total return” approach

O’Neil Approach: CAN SLIM



- William O’Neil developed his growth stock approach through study of company characteristics prior to their big stock price increase
- Approach presented in Second Edition of “How to Make Money in Stocks: A Winning System in Good Times or Bad”

Current Group 1 Portfolio Holdings

Company	Ticker	Sector: Industry	Portfolio Addition		Current Price	Price as % of 52-Week High	% Rank-Rel Strength 52-Week	Relative Strength From High	EPS Cont-Growth			EPS Increases 7yrs
			Date	Price					YoY Q1	YoY Q2	5Y	
Boyd Gaming Corporation	BYD	Consumer Discretionary: Hotels, Restaurants & Leisure	09/03/2025	$84.900	$88.415	98.8%	65%	0.99	na	25.2	35	5
Willdan Group, Inc.	WLDN	Industrials: Professional Services	05/21/2025	$50.900	$119.087	98.4%	97%	0.92	76.5	212.1	31	4
Medpace Holdings, Inc.	MEDP	Health Care: Life Sciences Tools & Services	new	na	$601.480	96.0%	89%	na	28.2	12.7	36.5	6
Carpenter Technology Corporation	CRS	Industrials: Aerospace & Defense	new	na	$326.900	93.7%	88%	na	45.5	19.9	226.5	4
Build-A-Bear Workshop, Inc.	BBW	Consumer Discretionary: Specialty Retail	07/14/2025	$50.870	$66.430	87.6%	78%	0.84	(15.1)	46.9	191.7	5
The Bancorp, Inc.	TBBK	Financials: Banks	09/03/2025	$75.375	$71.073	87.0%	74%	0.85	13.5	21	37	5
O'Reilly Automotive, Inc.	ORLY	Consumer Discretionary: Specialty Retail	01/07/2019	$342.641	$93.790	86.3%	60%	0.83	12.6	11.4	17.9	6
Microsoft Corporation	MSFT	Information Technology: Software	05/04/2020	$173.650	$477.180	85.9%	58%	0.87	12.7	23.7	18.8	6
ExlService Holdings, Inc.	EXLS	Industrials: Professional Services	12/19/2024	$44.810	$42.950	81.9%	43%	0.73	9.8	42.9	25.4	6
Tradeweb Markets Inc.	TW	Financials: Capital Markets	12/07/2023	$91.410	$104.660	68.6%	28%	0.54	62.3	29.1	34	5

- **C: Current quarterly EPS**
  - Strong and improving quarterly EPS performance
- **A: Annual EPS**
  - Increase in EPS for each of the last five years
  - Strong annual growth rate of 25% or greater over the last five years
- **N: New company, product/service, industry trend or management**
  - Catalyst to start a strong price advance
  - New product or service, management team, technology
  - Stocks reaching new high after consolidation period

- **S: Supply & demand**
  - Firms with a smaller number of shares outstanding should increase more quickly
- **L: Leader or laggard**
  - Look for market leaders in rapidly expanding industries
  - Use relative strength to identify market leaders
- **I: Institutional sponsorship**
  - Buy stocks being heavily bought by institutional investors & avoid those they're heavily selling
  - Institutional investors are primarily mutual funds, but also hedge funds, banks, pension funds, insurance companies and other large institutions
  - "Ride their coattails"

- Only buy stocks in a market uptrend & take defensive action as a downturn begins
- **M: Market Direction**
  - The “M” in CAN SLIM stands for market direction
    - Stay in sync with the direction of the overall market—Nasdaq composite, S&P 500 index, etc.

When to Sell

- O’Neil believes that the stock price will reflect changes in fundamentals long before a company reports them
- When buying a stock, focus on both fundamentals and the chart action
- Decelerating YoY EPS growth over multiple quarters is O’Neil’s primary fundamental sell rule

Group 1 Performance

Security Performance 12/31/2024 - 12/31/2025

			Return	Portfolio Weight		
			On	Start of	End of	
Group	Ticker	Description	Investment	Year	Year	Sector
G1	WLDN	Willdan Group, Inc.	103.7%	Added	2.8%	Industrials
G1	BBW	Build-A-Bear Workshop, Inc.	20.9%	Added	2.2%	Consumer Discretionary
G1	MSFT	Microsoft Corporation	15.6%	2.6%	2.9%	Information Technology
G1	ORLY	O'Reilly Automotive, Inc.	15.1%	3.7%	2.1%	Consumer Discretionary
G1	ADMA	ADMA Biologics, Inc.	8.1%	1.9%	Removed	Health Care
G1	BYD	Boyd Gaming Corporation	0.6%	Added	1.6%	Consumer Discretionary
G1	EXLS	ExlService Holdings, Inc.	(4.4%)	1.9%	1.8%	Industrials
G1	MEDP	Medpace Holdings, Inc.	(4.9%)	Added	1.7%	Health Care
G1	HWKN	Hawkins, Inc.	(5.7%)	2.3%	Removed	Materials
G1	CRS	Carpenter Technology Corp	(6.5%)	Added	1.3%	Industrials
G1	TBBK	The Bancorp, Inc.	(10.4%)	Added	1.5%	Financials
G1	TW	Tradeweb Markets Inc.	(17.6%)	1.7%	1.4%	Financials
G1	FICO	Fair Isaac Corporation	(21.6%)	2.0%	Removed	Information Technology
G1	PLMR	Palomar Holdings, Inc.	(23.2%)	Added	Removed	Financials
G1	STRL	Sterling Infrastructure, Inc.	(29.3%)	1.7%	Removed	Industrials
G1	ISSC	Innovative Aerosystems, Inc.	(41.7%)	Added	Removed	Industrials
G1	DECK	Deckers Outdoor Corporation	(43.0%)	2.5%	Removed	Consumer Discretionary
G1		**SSR Group 1**	**(2.6%)**	**20.6%**	**19.3%**	

Group 1 Watchlist

Group 1: O'Neil Portfolio

ssr.aaii.com/oNeilPortfolio.cfm#watchlist

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AAII.com | Home | Portfolio | Group 1 O'Neil | Group 2 Dreman | Group 3 O'Shaughnessy | Group 4 Neff | Insights | How-To

Portfolio Holdings | Portfolio Analysis | Portfolio Watchlist | Portfolio News

Data as of 1/8/2026. Delayed up to 15 mins.

Company	Ticker	Sector: Industry	Watchlist Alert		Current Price	Price as % of 52 Week High	% Rank-Rel Strength 52 week	Relative Strength From High	EPS Cont-Growth			EPS Increases 7yrs
			Date	Price					YoY Q1	YoY Q2	5Y	
Interactive Brokers Group, Inc.	IBKR	Financials: Capital Markets	01/08/2026	$69.870	$70.530	96.2%	81%	na	40.5	22.9	27	5
Medpace Holdings, Inc.	MEDP	Health Care: Life Sciences Tools & Services	01/08/2026	$591.630	$601.480	96.0%	89%	na	28.2	12.7	36.5	6
Nu Holdings Ltd.	NU	Financials: Banks	01/08/2026	$17.475	$17.585	95.7%	84%	na	41.6	30	47.5	4
Thermon Group Holdings, Inc.	THR	Industrials: Electrical Equipment	01/08/2026	$37.855	$39.465	95.8%	73%	na	60.7	3.6	34.3	4
Carpenter Technology Corporation	CRS	Industrials: Aerospace & Defense	12/17/2025	$316.450	$326.900	93.7%	88%	na	45.5	19.9	226.5	4
Dycom Industries, Inc.	DY	Industrials: Construction & Engineering	09/10/2025	$259.270	$344.680	94.0%	91%	na	53.2	43.5	34.5	4

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Dreman's Contrarian Value Investment Approach

- Try to identify investment opportunities that are not necessarily recognized by the majority of other investors
  - Go against the crowd by seeking out-of-favor stocks and avoid high-flying "fashionable" stocks
- Look for financially solid companies that may be temporarily out of favor with the market
- Seek stocks that are priced low relative to their earnings, sales, cash flows or dividends

Current Group 2 Portfolio Holdings

Company	Ticker	Sector: Industry	Portfolio Addition		Current Price	Market Cap (Mil)	% Rank-Market Cap	PE	% Rank-PE	EPS Est % Rev-Last Month		Liabilities / Assets Q1	
			Date	Price						Y0	Y1	Company	Industry
Molson Coors Beverage Company	TAP	Consumer Staples: Beverages	03/04/2024	$62.370	$47.545	$9,336.3	77%	na	na	0.0%	(0.4%)	53.4%	53.4%
Ingredion Incorporated	INGR	Consumer Staples: Food Products	08/03/2023	$110.960	$113.385	$7,173.2	73%	11.3	21%	0.0%	(0.1%)	45.5%	51.0%
Global Payments Inc.	GPN	Financials: Financial Services	07/21/2025	$82.090	$79.600	$18,629.4	86%	11.8	23%	0.0%	0.0%	51.0%	73.9%
Primerica, Inc.	PRI	Financials: Insurance	01/10/2024	$211.190	$266.100	$8,410.8	76%	12.1	25%	0.4%	0.1%	84.5%	77.8%
CNO Financial Group, Inc.	CNO	Financials: Insurance	06/01/2020	$14.350	$43.800	$4,187.0	66%	14.7	34%	(1.9%)	1.0%	93.2%	77.8%
JPMorgan Chase & Co.	JPM	Financials: Banks	03/04/2015	$66.720	$331.010	$897,774.9	100%	16.3	39%	0.5%	(1.2%)	92.1%	90.1%
The Walt Disney Company	DIS	Communication Services: Entertainment	11/24/2025	$103.020	$114.585	$203,826.4	99%	16.7	41%	0.0%	0.0%	42.0%	52.3%
MDU Resources Group, Inc.	MDU	Utilities: Gas Utilities	07/01/2020	$15.870	$20.235	$4,104.0	65%	22.3	55%	(2.1%)	(0.2%)	62.1%	65.0%
Terex Corporation	TEX	Industrials: Machinery	06/05/2024	$57.520	$59.245	$3,848.1	64%	25	61%	0.3%	(0.1%)	67.3%	52.0%
Signet Jewelers Limited	SIG	Consumer Discretionary: Specialty Retail	08/08/2024	$74.240	$86.015	$3,663.6	64%	26.3	63%	(0.1%)	1.1%	68.2%	68.0%

Dreman's Contrarian Value Investment Selection Process

- Screen mid- and large-cap stock universe
  - These firms are more in the public eye
    - Less chance of "accounting gimmickry"
  - These firms have more staying power and are less likely to go out of business than smaller companies or start-ups
- Screen value universe
  - Low P/E by industry
  - Above-market dividend yield
  - Visible earnings
- Conduct fundamental research
  - Financial strength & value metrics
    - High ratios of current assets relative to current liabilities; low debt as a percentage of equity; and low payout ratios
    - Favorable operating conditions, such as high returns on equity and high pretax profit margins relative to others in the industry.
  - Proven record of earnings growth that is also sustainable
- Portfolio construction & management
  - Diversify across numerous industry groups

Sell Discipline

- P/E rises above that of the market
- Multiples exceed that of its sector or industry
- Deterioration in fundamental outlook
- "Extremely poor" price performance
- Mergers or acquisitions
- Market cap moves out of a distinct range

Group 2 Performance

Security Performance 12/31/2024 - 12/31/2025

Group	Ticker	Description	Return On Investment	Portfolio Weight Start of Year	Portfolio Weight End of Year	Sector
G2	JPM	JPMorgan Chase & Co.	37.1%	2.7%	3.5%	Financials
G2	TEX	Terex Corporation	17.2%	1.8%	2.0%	Industrials
G2	CNO	CNO Financial Group, Inc.	16.1%	3.0%	3.3%	Financials
G2	MDU	MDU Resources Group, Inc.	10.7%	2.3%	2.4%	Utilities
G2	DIS	The Walt Disney Company	10.4%	Added	1.8%	Communication Services
G2	DOX	Amdocs Limited	5.9%	1.6%	Removed	Information Technology
G2	SIG	Signet Jewelers Limited	4.5%	2.5%	2.5%	Consumer Discretionary
G2	PRI	Primerica, Inc.	(3.4%)	2.5%	2.3%	Financials
G2	GPN	Global Payments Inc.	(5.1%)	Added	2.1%	Financials
G2	TAP	Molson Coors Beverage Co	(15.5%)	1.4%	1.1%	Consumer Staples
G2	INGR	Ingredion Incorporated	(17.8%)	2.3%	1.8%	Consumer Staples
G2	OC	Owens Corning	(38.0%)	2.3%	Removed	Industrials
G2		**SSR Group 2**	**3.3%**	**22.9%**	**22.8%**	

American Association of Individual Investors

Group 2 Watchlist

Company	Ticker	Sector: Industry	Watchlist Alert		Current Price	Market Cap (Mil)	% Rank-Market Cap	PE	% Rank-PE	EPS Est % Rev-Last Month		Liabilities / Assets Q1	
			Date	Price						Y0	Y1	Company	Industry
Abbott Laboratories	ABT	Health Care: Health Care Equipment & Supplies	01/08/2026	$126.230	$126.005	$219,406.1	99%	15.8	38%	0.3%	0.0%	39.1%	47.9%
Janus Henderson Group plc	JHG	Financials: Capital Markets	01/08/2026	$48.005	$47.990	$7,381.7	74%	14.1	33%	1.0%	1.2%	25.4%	57.4%
SEI Investments Company	SEIC	Financials: Capital Markets	01/08/2026	$87.115	$87.320	$10,748.0	79%	16.1	39%	0.0%	0.9%	15.0%	57.4%
Wintrust Financial Corporation	WTFC	Financials: Banks	01/08/2026	$148.560	$147.685	$9,913.7	78%	13.6	31%	0.7%	1.3%	89.9%	90.1%
The PNC Financial Services Group, Inc.	PNC	Financials: Banks	12/17/2025	$210.260	$219.735	$85,741.5	97%	14.1	33%	0.0%	0.6%	89.6%	90.1%
Truist Financial Corporation	TFC	Financials: Banks	12/17/2025	$50.155	$50.695	$65,177.6	95%	13.6	31%	0.1%	0.2%	87.9%	90.1%
Credicorp Ltd.	BAP	Financials: Banks	12/11/2025	$281.610	$305.500	$24,114.7	88%	13	28%	0.0%	0.0%	85.4%	90.1%
Hancock Whitney Corporation	HWC	Financials: Banks	12/03/2025	$62.950	$68.050	$5,681.5	70%	12.2	25%	0.6%	1.9%	87.5%	90.1%
Smithfield Foods, Inc.	SFD	Consumer Staples: Food Products	11/12/2025	$21.715	$22.430	$8,813.6	77%	10.1	16%	0.0%	0.0%	41.7%	51.0%

Featured Stock Superstar: James O’Shaughnessy

Factor Investing

- O'Shaughnessy is a proponent of "factor investing"
  - Factors are characteristics of stocks that are most indicative of strong total and risk-adjusted returns
  - Calls his methodology "fundamental quant"
- Common investment factors
  - Value
  - Quality
  - Financial Strength
  - Momentum
  - Growth
  - Estimate Revisions

Current Group 3 Portfolio Holdings

Company	Ticker	Sector: Industry	Portfolio Addition		Current Price	Value Score	P/B	P/FCF	P/E	P/S	EV/EBITDA	Shareholder Yield	Financial Strength Score	Earnings Quality Score
			Date	Price										
Danaos Corporation	DAC	Industrials: Marine Transportation	04/03/2023	$55.200	$98.090	99	0.49	6.6	3.9	1.8	2.8	9.0%	68	66
Teekay Corporation Ltd.	TK	Energy: Oil, Gas & Consumable Fuels	07/06/2023	$6.330	$9.545	97	1.26	4.8	11	0.87	4.4	8.1%	96	86
Universal Insurance Holdings, Inc.	UVE	Financials: Insurance	01/19/2022	$18.330	$30.990	96	1.78	3.9	7.4	0.56	2.8	4.2%	76	77
Nexxen International Ltd.	NEXN	Communication Services: Media	12/15/2025	$6.825	$5.925	95	0.72	2.8	11.5	1.26	4.8	1.8%	97	89
IHS Holding Limited	IHS	Communication Services: Diversified Telecommunication Services	06/04/2025	$5.758	$7.600	93	na	3.3	5.6	1.46	4.7	(0.7%)	92	83
Bausch Health Companies Inc.	BHC	Health Care: Pharmaceuticals	04/02/2025	$6.118	$7.595	93	na	2.6	8	0.29	7.9	(1.9%)	80	90
Pathward Financial, Inc.	CASH	Financials: Banks	10/19/2021	$61.000	$74.990	86	1.99	7.6	9.5	2.28	na	8.3%	92	78
DNOW Inc.	DNOW	Industrials: Trading Companies & Distributors	05/04/2020	$5.940	$13.685	83	1.22	8.2	15.7	0.6	9.7	1.2%	95	47
NETGEAR, Inc.	NTGR	Information Technology: Communications Equipment	09/04/2024	$17.150	$23.455	73	1.31	na	na	0.96	na	0.2%	19	47
Warrior Met Coal, Inc.	HCC	Materials: Metals & Mining	05/04/2020	$11.390	$98.560	18	2.37	na	142.9	4.1	19.3	(0.2%)	32	40

Buy Cheap Stocks

- There is a wealth of academic research and real-world performance that shows value investing outperforms the overall market in the long term
- There are numerous metrics for measuring value, and some fall into and out of favor while others have become less effective over time
  - Initially, O’Shaughnessy found that the price-to-sales ratio was the best single factor for value investors
    - Admits that one of his biggest mistakes was ever labeling a single value factor “king”
  - Accounting rules and structural changes in the market have reduced the efficacy of book value and, thus, price to book
- However, he has since discovered that using multiple factors to build a value “composite” delivers higher, less volatile and more consistent returns

Value Composite

- O'Shaughnessy put together a Value Composite Score using these factors
  - Price-to-sales ratio
  - Price-earnings ratio
  - Enterprise-value-to-EBITDA ratio
  - Price-to-free-cash-flow ratio
  - Shareholder yield (dividend yield + rate of share repurchases)
- Average the percentile rankings for each factor to arrive at score from 1 to 100
  - Lower the score the better
- AAII added price-to-book-value ratio to its Value Composite
- AAII's Value Composite takes the average of the percentile rankings for these six value factors and then re-ranks the average

Quality Matters

- Some stocks are cheap for a reason
- O’Shaughnessy also found that factors can help investors avoid potential traps
  - Avoiding stocks with questionable quality can help you pick better stocks to own
- Created composite scores for earnings quality and financial strength
- Value identifies what to potentially own and “quality” filters out stocks to avoid

Earnings Quality Composite

- O’Shaughnessy put together an Earnings Quality Composite Score using these factors:
  - Current accruals to total assets
  - Change in operating assets
  - Total accruals to total assets
  - Depreciation to capital expenditures
- To make things easier, O’Shaughnessy created a single field
  - (Cash From Operations – Net Income) ÷ Market Cap
- Score from 1 to 100
  - Lower the score the better

Earnings Quality

- Identifies companies that are aggressively reporting or misrepresenting their earnings
- Accounting choices can inflate earnings by delaying expenses or recognizing earnings early
  - Permitted under GAAP but could signal problems with the company
- Companies that are aggressively manipulating their earnings cannot sustain it forever and tend to underperform in the future

Financial Strength Composite

- O'Shaughnessy put together a Financial Strength Composite Score using these factors
  - Debt-to-equity ratio
  - Cash-flow-to-debt ratio
  - External financing
  - 1-year change in long-term debt
- As a proxy for cash flow to debt (debt coverage), AAII's uses times interest earned
- Average the percentile rankings for each factor to arrive at score from 1 to 100
  - Higher the score the better

SSR's O'Shaughnessy Multi-Factor Stock Selection Strategy

- Based on O'Shaughnessy's Value, Earnings Quality and Financial Strength composites
- Look for stocks that rank in the "top" 20% in terms of attractive valuation, earnings quality and financial strength
- Sell when these factors fall into the bottom quintile

Group 3 Performance

Security Performance 12/31/2024 - 12/31/2025

Group	Ticker	Description	Return On Investment	Portfolio Weight Start of Year	Portfolio Weight End of Year	Sector
G3	UVE	Universal Insurance	64.5%	2.6%	4.1%	Financials
G3	HCC	Warrior Met Coal, Inc.	63.5%	3.3%	5.2%	Materials
G3	TK	Teekay Corporation Ltd.	49.3%	2.3%	2.9%	Energy
G3	IHS	IHS Holding Limited	29.6%	Added	1.6%	Communication Services
G3	DAC	Danaos Corporation	22.4%	2.8%	3.2%	Industrials
G3	BHC	Bausch Health Companies Inc.	13.6%	Added	2.6%	Health Care
G3	DNOW	DNOW Inc.	1.9%	2.4%	2.3%	Industrials
G3	CASH	Pathward Financial, Inc.	(3.3%)	2.6%	2.4%	Financials
G3	NEXN	Nexxen International Ltd.	(4.2%)	Added	3.0%	Communication Services
G3	NTGR	NETGEAR, Inc.	(12.0%)	4.2%	3.6%	Information Technology
G3	GNTX	Gentex Corporation	(17.8%)	1.3%	Removed	Consumer Discretionary
G3	INGN	Inogen, Inc.	(26.6%)	3.8%	Removed	Health Care
G3	UPLD	Upland Software, Inc.	(58.0%)	3.0%	Removed	Information Technology
G3		**SSR Group 3**	**8.3%**	**29.6%**	**30.9%**	

Group 3 Watchlist

Company	Ticker	Sector: Industry	Watchlist Alert		Current Price	Value Score	P/B	P/FCF	P/E	P/S	EV/EBITDA	Shareholder Yield	Financial Strength Score	Earnings Quality Score
			Date	Price										
G-III Apparel Group, Ltd.	GIII	Consumer Discretionary: Textiles, Apparel & Luxury Goods	01/08/2026	$30.330	$30.000	99	0.71	3.6	9.3	0.43	6	5.0%	94	82
APA Corporation	APA	Energy: Oil, Gas & Consumable Fuels	09/18/2025	$23.900	$25.235	97	1.51	6	6.1	0.98	2.8	7.4%	86	89
Bread Financial Holdings, Inc.	BFH	Financials: Consumer Finance	12/11/2025	$74.360	$80.650	96	1.13	2	8.3	1.56	na	7.5%	82	90
Nexxen International Ltd.	NEXN	Communication Services: Media	12/11/2025	$6.640	$5.925	95	0.72	2.8	11.5	1.26	4.8	1.8%	97	89
Navient Corporation	NAVI	Financials: Consumer Finance	12/11/2025	$12.950	$12.870	94	0.52	6.3	na	3.05	na	14.2%	95	85
Molson Coors Beverage Company	TAP	Consumer Staples: Beverages	12/11/2025	$47.060	$47.490	93	0.9	13.3	na	0.85	8.1	8.5%	83	90
MGP Ingredients, Inc.	MGPI	Consumer Staples: Beverages	12/11/2025	$26.360	$24.780	91	0.62	10.2	na	0.93	10.7	5.1%	81	85
Ranger Energy Services, Inc.	RNGR	Energy: Energy Equipment & Services	05/01/2025	$11.090	$14.520	91	1.13	6.6	21.4	0.57	4.3	3.8%	90	82
Devon Energy Corporation	DVN	Energy: Oil, Gas & Consumable Fuels	01/08/2026	$36.250	$36.165	89	1.48	10.5	8.5	1.36	4.1	1.7%	83	80
Cross Country Healthcare, Inc.	CCRN	Health Care: Health Care Providers & Services	12/11/2025	$8.610	$8.045	89	0.65	5.8	na	0.24	15.4	1.5%	85	85
Resources Connection, Inc.	RGP	Industrials: Professional Services	10/22/2025	$4.380	$4.955	89	0.73	na	na	0.28	17.9	7.2%	71	97
PrimeEnergy Resources Corporation	PNRG	Energy: Oil, Gas & Consumable Fuels	12/18/2025	$167.800	$175.970	86	1.28	14.2	16.1	1.44	2	5.7%	96	87
Lumen Technologies,	LUMN	Communication Services: Diversified Telecommunication	09/18/2025	$5.750	$8.135	86	na	6.6	na	0.64	7.5	(0.7%)	82	94

Featured Stock Superstar:
John Neff

Neff's Investment Principles

- Low price-earnings (P/E) ratio
- Fundamental growth in excess of 7%
- Yield protection (and enhancement, in most cases)
- Superior relationship of total return to P/E paid
- No cyclical exposure without compensating P/E multiple
- Solid companies in growing fields
- Strong fundamental case

Look for “cheapo” stocks with a dividend-adjusted PEG that is noticeably out of line with market or industry benchmarks

- P/E Ratio = 10, EPS Growth = 5%
  - PEG = P/E ÷ Growth = 10 ÷ 5 = 2.0
- P/E Ratio = 10, EPS Growth = 10%
  - PEG = P/E ÷ Growth = 10 ÷ 10 = 1.0
- P/E Ratio = 10, EPS Growth = 10, Yield = 5%
  - Div Adj. PEG = P/E ÷ (Growth + Yield)

    = 10 ÷ (10 + 5) = 0.67

Current Group 4 Portfolio Holdings

Company	Ticker	Sector: Industry	Portfolio Addition		Current Price	PE to Div Adj EPS Est Growth	Sales Growth 5 Yr	EPS Growth Est	Free Cash Flow/Share 12 Mo	Operating Margin 12 Mo	Industry Operating Margin 12 Mo	Operating Margin Y1	Industry Operating Margin Y1
			Date	Price									
Cencora, Inc.	COR	Health Care: Health Care Providers & Services	06/30/2020	$98.810	$336.150	4.27	11.1%	9.2%	$14.29	1.2%	2.9%	1.2%	3.0%
Applied Materials, Inc.	AMAT	Information Technology: Semiconductors & Semiconductor Equipment	05/04/2020	$46.500	$298.810	3.1	10.5%	9.8%	$5.37	30.0%	5.5%	30.0%	6.7%
Lockheed Martin Corporation	LMT	Industrials: Aerospace & Defense	08/03/2020	$377.620	$540.690	2	3.5%	11.8%	$6.34	8.1%	8.9%	10.1%	8.4%
Merck & Co., Inc.	MRK	Health Care: Pharmaceuticals	06/30/2025	$78.865	$111.350	1.14	10.4%	9.8%	$1.97	42.3%	5.3%	38.8%	4.5%
LCI Industries	LCII	Consumer Discretionary: Automobile Components	12/22/2025	$123.305	$129.505	0.97	9.5%	15.0%	$7.74	6.5%	4.9%	5.8%	4.6%
The Cigna Group	CI	Health Care: Health Care Providers & Services	12/22/2025	$274.670	$282.035	0.95	10%	11.0%	$21.66	3.7%	2.9%	3.9%	3.0%
Virtu Financial, Inc.	VIRT	Financials: Capital Markets	08/27/2025	$43.370	$32.775	0.46	13.1%	12.4%	$3.44	34.3%	24.9%	30.1%	23.7%
Stride, Inc.	LRN	Consumer Discretionary: Diversified Consumer Services	03/04/2024	$62.360	$69.560	na	18.2%	na	$8.75	17.8%	1.2%	17.4%	3.1%
PulteGroup, Inc.	PHM	Consumer Discretionary: Household Durables	01/11/2021	$41.530	$131.500	na	11.9%	(5.1%)	$6.87	19.3%	7.6%	21.7%	8.1%
Elevance Health, Inc.	ELV	Health Care: Health Care Providers & Services	05/04/2020	$267.840	$374.230	na	11.2%	(6.1%)	$9.91	4.2%	2.9%	5.2%	3.0%

Fundamental Growth

- Low P/E companies growing faster than 7% a year indicate underappreciated signs of life
  - Particularly if accompanied by an attention-getting dividend
- Neff also wanted companies that were growing at a sustainable level
  - Usually capped growth at 20% a year

Yield: Return Shareholders Can Pocket

- A low P/E strategy often results in a superior dividend yield
- Per Graham & Dodd, yield is the more assured part of growth
- Companies usually only lower their dividend under extraordinary duress
- Since stock prices usually sell on the basis of expected earnings growth, shareholders collect the dividend income for free

Strong Fundamental Support

- Neff placed emphasis on cash flow, especially as companies became more creative with their definition of "earnings"
  - Excess cash flow can provide capital for additional dividends, stock buybacks, acquisitions or reinvestment
- Neff looked at operating margin as an indication of a company's "earnings margin of error"
  - (Sales – Operating Expenses) ÷ Sales
- Among low P/E stocks, a robust operating margin supplies protection against negative surprises

Reasons to Sell

- Neff sold shares for either of two reasons:
  - Fundamentals deteriorated
  - The price approached his expectations
- Sell when you make a mistake
- Failure of fundamentals becomes obvious using two measures:
  - Estimates of earnings
  - Five-year growth rates
- Calculated appreciation potential based on earnings expectations and projected P/E expansion
- “When you feel like bragging about a stock, it’s probably time to sell.”

Group 4 Performance

Security Performance 12/31/2024 - 12/31/2025

			Return	Portfolio Weight		
			On	Start of	End of	
Group	Ticker	Description	Investment	Year	Year	Sector
G4	AMAT	Applied Materials, Inc.	59.6%	3.7%	5.6%	Information Technology
G4	COR	Cencora, Inc.	51.5%	2.5%	3.7%	Health Care
G4	MRK	Merck & Co., Inc.	34.8%	Added	2.3%	Health Care
G4	DHI	D.R. Horton, Inc.	20.3%	3.3%	Removed	Consumer Discretionary
G4	PHM	PulteGroup, Inc.	8.5%	4.5%	4.7%	Consumer Discretionary
G4	BWA	BorgWarner Inc.	5.7%	1.5%	Removed	Consumer Discretionary
G4	LMT	Lockheed Martin Corporation	2.4%	1.5%	1.4%	Industrials
G4	CI	The Cigna Group	0.2%	Added	1.4%	Health Care
G4	LCII	LCI Industries	(1.6%)	Added	1.6%	Consumer Discretionary
G4	ELV	Elevance Health, Inc.	(3.2%)	1.5%	1.4%	Health Care
G4	VIRT	Virtu Financial, Inc.	(22.2%)	Added	2.5%	Financials
G4	LRN	Stride, Inc.	(37.5%)	4.0%	2.4%	Consumer Discretionary
G4	GPK	Graphic Packaging Holding	(42.4%)	2.5%	Removed	Materials
G4	SM	SM Energy Company	(49.7%)	1.9%	Removed	Energy
G4		**SSR Group 4**	**3.6%**	**27.0%**	**27.0%**	

Group 4 Watchlist

Company	Ticker	Sector: Industry	Portfolio Addition		Current Price	PE to Div Adj EPS Est Growth	Sales Growth 5yr	EPS Growth Est	Free cash flow/share 12m	Operating Margin 12m	Industry Operating Margin 12m	Operating Margin Y1	Industry Operating Margin Y1
			Date	Price									
Virtu Financial, Inc.	VIRT	Financials: Capital Markets	05/01/2025	$39.150	$32.775	0.46	13.1%	12.4%	$3.44	34.3%	24.9%	30.1%	23.7%
Huntington Bancshares Incorporated	HBAN	Financials: Banks	07/16/2025	$16.640	$18.380	0.67	9.7%	15.8%	$1.00	38.5%	36.5%	37.4%	34.9%
Federal Agricultural Mortgage Corporation	AGM	Financials: Financial Services	07/29/2025	$174.490	$177.500	0.69	13.8%	11.0%	$23.64	69.8%	13.6%	71.6%	18.0%
Match Group, Inc.	MTCH	Communication Services: Interactive Media & Services	11/13/2025	$0.000	$32.500	0.7	11.1%	19.3%	$3.33	27.0%	2.7%	24.5%	1.6%
The Progressive Corporation	PGR	Financials: Insurance	07/16/2025	$246.460	$215.840	0.71	14.1%	10.0%	$24.19	16.2%	13.3%	14.6%	12.4%
Webster Financial Corporation	WBS	Financials: Banks	03/06/2025	$51.710	$65.380	0.72	14.5%	14.5%	$7.77	50.1%	36.5%	47.4%	34.9%
Tri Pointe Homes, Inc.	TPH	Consumer Discretionary: Household Durables	02/26/2025	$31.630	$35.060	0.73	7.8%	13.0%	$3.01	11.1%	7.6%	12.9%	8.1%
Gibraltar Industries, Inc.	ROCK	Industrials: Building Products	11/13/2025	$0.000	$53.165	0.77	7.8%	15.0%	$3.52	11.5%	11.5%	12.3%	12.2%
Prosperity Bancshares, Inc.	PB	Financials: Banks	03/06/2025	$72.840	$72.770	0.83	7.7%	12.3%	$0.18	57.9%	36.5%	55.8%	34.9%
M&T Bank Corporation	MTB	Financials: Banks	09/24/2025	$199.440	$213.810	0.85	7.8%	12.7%	$18.28	41.4%	36.5%	40.8%	34.9%
Global Payments Inc.	GPN	Financials: Financial Services	07/29/2025	$83.230	$79.800	0.86	15.5%	12.5%	$10.70	25.3%	13.6%	25.1%	18.0%
Iridium Communications Inc.	IRDM	Communication Services: Diversified Telecommunication Services	11/13/2025	$0.000	$19.075	0.89	8.2%	15.1%	$2.22	27.1%	13.4%	24.5%	12.4%
First BanCorp.	FBP	Financials: Banks	10/15/2025	$21.530	$21.625	0.9	7.6%	8.4%	$1.96	45.9%	36.5%	44.9%	34.9%

Stock Superstar

An investor with a systematic approach to investing who has outperformed the market over the long term.

Discipline Is Key

- Even the best stock selection strategies will go through periods where they underperform the market
- Having the discipline and perseverance to stay the course through these periods is essential to profiting from these strategies
- Majority of investors fail to beat market averages because they do not follow a disciplined approach

Thank You!

Contact me at **johnb@aaii.com**
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