STOCK SUPERSTARS REPORT

Lessons From the Stock Superstars Report Strategy: 2024 in Review

John Bajkowski
Lead Analyst & Editor
Stock Superstars Report
johnb@aaii.com

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Lessons From the Stock Superstars Report Strategy: 2024 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

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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

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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

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Stock Strategies Presented in AAII Journal

Theory & Ideas

aaii.com/journal/category/aaii-stock-ideas

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AAII Stock Ideas Articles

2024 Review of AAII Stock Screens: Rule #1 Rules
January 2025 by *John Bajkowski*
Of the 55 different screening approaches tracked on AAII.com, 42 were up for the year through December 10, 2024.

Looking to Lakonishok for Latent Gems
October 2024 by *John Bajkowski*
Screening based on finding out-of-favor companies that are beginning to show signs of awakening.

Make the Most of the AAII Stock Screens
October 2024 by *Omar Beirat*
A few simple steps put the AAII Stock Screens' daily generated ideas at your fingertips, along with key data points.

Spotting Value on the Move With the PEG Ratio
August 2024 by *John Bajkowski*
Avoid the value trap with screens that isolate reasonably priced stocks exhibiting earnings growth and price appreciation.

Winning on Wall Street: The Martin Zweig Approach
June 2024 by *Wayne A. Thorp*
A robust framework for identifying growth stocks with the potential for high returns.

Cash Flow Multiple Uncovers Promising Value Stocks
April 2024 by *John Bajkowski*
Firms with low price-to-free-cash-flow ratios may represent neglected firms trading at attractive prices.

Stock Screen All-Stars Appear on Multiple Passing Companies Lists
March 2024 by *John Bajkowski*
A First Cut that lists stocks passing the greatest number of screens tracked by AAII at the Screening area of AAII.com.

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AAII Stock Screens

aaii.com/stockideas/allstrategies

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AAII Stock Screens
Custom Screener Plus
Stock Ideas
Stock Grades Plus
Shadow Stocks Basic
Dividend Stocks Premium
Value Stocks Premium
Growth Stocks Premium

All Screens

Performance Data as of 12/31/2024
Click here for FAQs.

Performance · Characteristics · Grades

Download Performance History

Ordered By: Strategy

Excel · Print

Screen	V	G	M	S	EE	Y	Q	I	O	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	20 Yr	Inc.	Risk Index
Rule #1 Investing Screen	V	G					Q			63.2	34.0	(1.6)	(4.9)	(4.3)	5.4	3.8	6.9	2.13
O'Shaughnessy: Growth Screen II	V		M							54.1	31.1	17.6	27.6	16.1	15.8	12.4	16.4	1.61
Muhlenkamp Screen	V	G					Q			51.6	39.1	8.6	22.0	12.4	(1.8)	(0.9)	4.2	1.62
Wanger (Revised) Screen	V	G		S						48.3	64.5	21.2	12.5	9.2	11.1	9.3	9.5	1.51
O'Shaughnessy: Tiny Titans Screen	V		M	S						47.7	19.8	20.5	32.2	20.0	19.0	14.5	23.7	1.91
Kirkpatrick Growth Screen		G	M							44.9	18.7	7.8	18.1	9.4	6.7	11.8	13.7	1.91
O'Neil's CAN SLIM Screen		G	M							39.3	19.8	6.0	22.0	9.0	9.1	14.0	18.8	1.82
...th & Value Screen	V		M	S						38.9	14.2	4.1	27.3	16.8	17.8	14.9	18.1	1.84

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AAII Stock Screen Performance History (1998 - 2024) Guru Screens

Strategy	Average Annual Price Gain/(Loss) (%) 1 Yr	3 Yr	5 Yr	10 Yr	20 Yr	Since Incep	Risk Adj Return (%)	Gain/(Loss) (%) Bull 10/2022-12/2024	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 Grth	r2 500 Val	r2 S&P Mid Grth	r2 Val	r2 S&P Smal Grth	r2 Val
O'Shaughnessy: Tiny Titans	47.3	29.9	38.3	22.7	15.8	24.7	18.2	123.8	(1.9)	37.4	-35.9	81	81	1.91	29.5	38	48	54	32	37	46	45	52	50
O'Neil's CAN SLIM	39.3	11.5	25.8	10.6	14.8	19.5	15.7	60.7	(13.8)	69.6	-23.1	70	70	1.82	28.1	9	13	15	8	9	12	12	15	15
Graham—Enterprising Inv Rev	(11.5)	13.6	23.0	12.0	18.4	18.3	15.2	49.2	(1.6)	36.4	-22.4	74	67	1.76	27.1	29	37	39	19	37	29	42	34	42
O'Shaughnessy: SmCp Grth & Val	38.9	11.1	32.4	18.5	15.7	18.7	15.2	73.5	(20.9)	77.9	-30.2	78	70	1.85	28.5	30	43	49	23	33	40	42	46	48
O'Shaughnessy: Growth II	54.1	24.1	31.8	18.0	13.3	17.0	14.8	98.6	(3.7)	45.0	-28.5	85	63	1.61	24.8	47	63	68	38	48	59	60	65	64
Stock Market Winners	34.3	2.0	(3.8)	6.4	10.1	15.1	14.0	39.7	(24.1)	22.0	-24.9	74	63	1.37	21.2	12	18	20	9	15	16	19	19	18
Driehaus Revised	10.4	9.4	9.3	9.4	16.7	17.4	13.8	59.4	(17.7)	85.8	-54.9	70	63	2.25	34.8	20	31	37	18	19	33	26	38	30
Dreman With Est Revisions	16.8	13.2	14.6	11.3	13.6	14.5	13.4	90.6	(23.8)	30.9	-34.0	89	70	1.47	22.8	46	55	50	34	52	46	58	45	48
Buffett: Hagstrom	15.5	6.9	15.1	11.0	11.6	13.4	13.2	59.7	(23.6)	16.0	-19.0	85	74	1.14	17.5	77	80	71	70	71	78	74	72	66
O'Neil's CAN SLIM No Float	34.7	5.1	10.6	9.8	8.5	13.6	12.9	52.1	(23.7)	23.5	-35.5	85	56	1.35	20.9	41	46	46	39	35	49	39	49	39
Lakonishok	33.9	3.7	10.7	10.5	12.2	13.2	12.8	43.5	(22.4)	17.0	-23.4	70	59	1.23	19.0	56	74	71	44	59	68	73	69	68
Neff	7.8	4.8	5.5	4.6	7.2	13.7	12.7	62.5	(29.1)	32.6	-31.3	74	59	1.63	25.1	58	69	68	44	65	59	72	63	67
Buffettology: Sustainable Growth	20.4	11.1	20.7	16.1	13.2	13.2	12.6	77.7	(22.8)	17.7	-20.4	85	67	1.31	20.2	70	78	74	62	67	74	75	74	70
Kirkpatrick Growth	45.3	15.3	23.0	11.7	12.9	14.0	12.6	65.5	(7.4)	64.1	-23.1	59	59	1.92	29.6	22	32	34	23	17	39	22	37	29
O'Neil's CAN SLIM Rev 3rd Ed	(6.0)	(20.2)	(3.9)	7.6	8.4	14.0	12.6	(10.1)	(43.6)	52.7	-26.7	63	52	1.90	29.3	18	24	25	20	12	29	16	28	21
Piotroski: High F-Score	6.6	(6.7)	(0.4)	(9.1)	6.5	13.4	12.2	14.1	(28.8)	43.1	-42.0	70	48	2.06	31.8	26	33	34	19	30	28	36	30	35
Graham—Defensive Inv (Non-Util)	(6.3)	(0.7)	5.1	4.8	9.7	11.8	11.6	26.7	(22.7)	25.8	-18.3	78	63	1.37	21.1	51	66	68	37	59	56	69	62	70
Buffettology: EPS Growth	21.6	8.5	15.7	12.4	11.5	11.6	11.4	75.8	(27.4)	16.0	-20.8	85	70	1.26	19.4	73	83	77	65	69	80	77	78	72
Driehaus	17.6	8.6	6.1	9.8	14.1	11.9	11.4	66.6	(23.1)	51.3	-34.3	63	56	2.26	34.9	29	35	43	29	23	40	28	46	35
Zweig	(23.0)	(1.1)	3.5	1.6	1.3	11.3	11.1	12.6	(14.1)	32.7	-24.2	70	56	1.78	27.5	33	40	34	26	34	38	37	33	35
Kirkpatrick Value	23.2	15.7	32.4	12.3	11.2	10.7	10.5	79.7	(13.7)	49.0	-25.3	63	56	2.08	32.1	13	18	19	9	17	15	20	16	21
O'Shaughnessy: Grth Mkt Leaders	34.8	17.7	14.7	11.6	9.1	9.1	8.7	71.7	(5.0)	20.7	-18.6	78	48	1.22	18.9	59	63	56	48	59	60	59	54	55
Templeton	13.3	16.9	10.0	6.3	8.4	9.4	8.7	92.9	(17.1)	21.3	-37.6	78	56	1.45	22.4	51	59	53	43	51	55	58	51	49
O'Shaughnessy: All Cap	(8.2)	(5.5)	2.2	4.3	5.7	9.4	8.4	20.4	(30.0)	24.0	-32.0	67	44	1.60	24.7	52	64	65	36	62	52	72	57	68
Weiss Blue Chip Div Yield	(4.0)	2.2	3.8	5.5	7.5	8.9	8.2	20.9	(11.7)	16.0	-16.9	78	59	1.30	20.1	51	57	53	39	57	49	60	49	53
Wanger (Revised)	48.3	17.0	10.2	8.1	8.8	9.1	8.1	84.2	(13.0)	35.1	-19.8	63	63	1.51	23.3	50	60	59	45	47	57	56	58	57
Lynch	12.8	15.5	7.1	4.0	4.6	8.6	8.0	58.6	(2.7)	18.9	-28.1	74	48	1.24	19.2	44	51	48	34	48	45	52	45	47
Dreman	17.7	(5.6)	(2.8)	1.5	4.0	7.3	6.2	22.1	(31.1)	23.9	-31.4	63	52	1.29	20.0	51	64	58	35	63	53	71	52	58
Graham—Defensive Inv (Util)	12.3	1.6	(0.4)	3.0	5.1	6.3	6.1	11.5	(5.8)	14.0	-13.7	74	48	1.04	16.0	23	27	21	13	33	20	32	18	23
Magic Formula	17.2	1.5	4.2	2.5	2.9	6.8	4.3	40.8	(25.7)	30.7	-22.5	63	37	1.59	24.5	51	62	62	42	52	56	63	59	62
O'Shaughnessy: Value	13.0	5.0	7.4	4.8	3.0	5.5	3.9	41.6	(18.3)	22.0	-23.8	70	41	1.29	19.9	69	67	59	47	83	54	75	52	62
Rule #1 Investing	63.2	5.0	(1.1)	(2.4)	4.8	7.7	3.9	154.5	(54.4)	44.3	-54.2	67	41	2.14	33.0	44	46	42	39	42	42	45	41	38
Kirkpatrick Bargain	4.6	3.2	7.8	2.1	7.0	5.9	3.8	41.0	(22.1)	28.7	-29.7	67	48	1.41	21.7	39	49	49	30	42	44	49	46	45
Muhlenkamp	51.6	11.7	24.1	13.4	(0.4)	4.5	0.5	65.4	(15.7)	30.5	-27.7	67	56	1.63	25.1	35	44	48	26	40	37	48	43	49
Fisher (Philip)	16.9	2.1	7.4	9.1	3.4	5.8	(0.1)	10.3	(3.4)	32.8	-27.9	52	33	2.15	33.2	38	41	37	35	35	40	37	38	35
T. Rowe Price	(30.1)	(36.5)	(16.0)	(3.7)	1.7	4.7	(0.9)	(46.9)	(51.8)	33.5	-32.6	63	44	1.89	29.1	23	26	24	21	21	25	25	25	21
Schloss	7.7	0.7	(2.4)	(5.9)	(0.8)	4.1	(3.0)	67.2	(38.9)	31.9	-40.4	56	30	2.04	31.4	22	23	25	20	21	20	24	22	26
Est Rev: Up 5%	34.3	11.9	18.4	13.5	18.2	21.7	17.3	75.8	(20.4)	30.8	-27.7	81	78	1.70	26.2	49	61	62	47	42	64	51	65	54

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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

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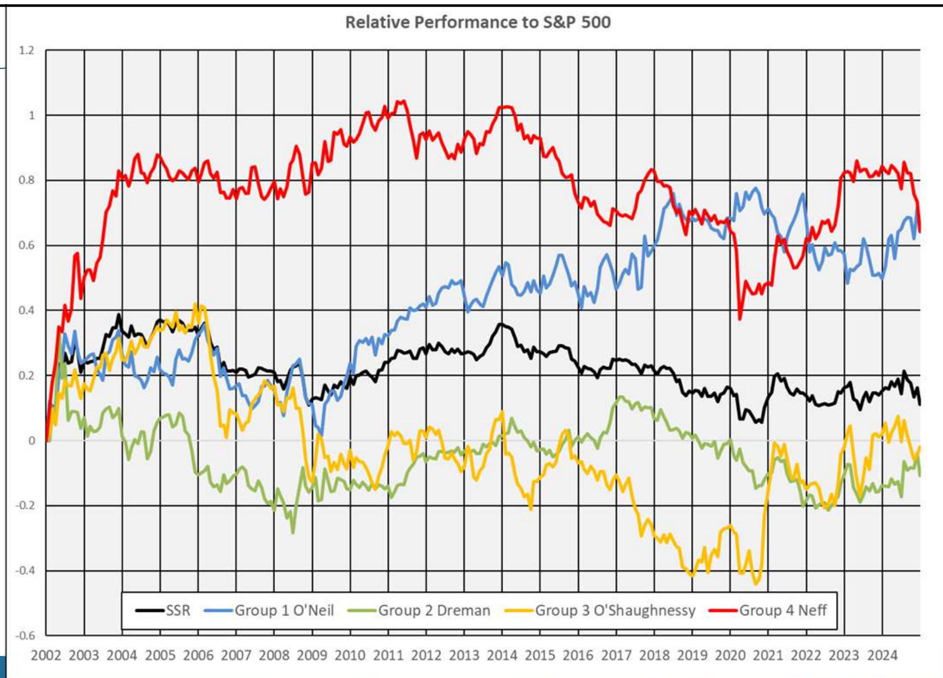

Annual Return	SSR*	Group 1 O'Neil*	Group 2 Dreman**	Group 3 O'Shaugh***	Group 4 Neff*	IYY (G1 & G4)*	IYY G2**	IYY G3***
YTD	18.7%	38.6%	26.7%	19.4%	1.5%	24.2%	24.2%	24.2%
1 Yr	18.7%	38.6%	26.7%	19.4%	1.5%	24.2%	24.2%	24.2%
2 Yr	21.6%	27.0%	24.3%	24.4%	14.2%	25.3%	25.3%	25.3%
3 Yr	7.5%	5.3%	10.3%	7.8%	7.2%	8.1%	8.1%	8.1%
5 Yr	12.6%	13.2%	10.3%		11.7%	13.9%	13.9%	
10 Yr	10.8%	13.4%	11.0%		8.4%	12.5%	12.5%	
15 Yr	12.8%	15.4%	13.4%		10.4%	13.5%	13.5%	
20 Yr	8.4%	11.2%			7.7%	10.2%		
Inception (ann'l)	**9.5%**	**11.2%**	**9.8%**	**23.2%**	**11.1%**	**9.4%**	**10.5%**	**17.6%**
Inception Total	**704.5%**	**1,047.7%**	**460.8%**	**411.3%**	**1,035.4%**	**687.7%**	**519.9%**	**113.0%**
Inception Age (yrs)	23.00	23.00	18.33	4.67	23.00	23.00	18.33	4.67

**SSR portfolio, G1 & G4 portfolios inception 1/1/2002*
**G2 portfolio inception 9/1/2006*
**G3 inception 4/30/2020*
Data through 12/31/2024

	Performance						
		Stock Superstars Portfolio	Group 1	Group 2	Group 3	Group 4	IYY
Total Return	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	**704.5%**	**1047.7%**	**460.8%**	**411.3%**	**1035.4%**	**687.7%**
	Inception (Ann'l)	**9.5%**	**11.2%**	**7.8%**	**7.4%**	**11.1%**	**9.4%**
Risk	Risk Index	1.15	1.50	1.17	1.33	1.20	1.00
	Std. Dev.	20.3%					17.7%

Performance as of 12/31/2024.

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S&P Indexes	Total Returns 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
S&P 500	25.0%	26.3%	(18.1%)	28.7%	18.4%	31.5%	(4.4%)	21.8%	12.0%	1.4%
S&P 500 Growth	36.1%	30.0%	(29.4%)	32.0%	33.5%	31.1%	(0.0%)	27.4%	6.9%	5.5%
S&P 500 Value	12.3%	22.2%	(5.2%)	24.9%	1.4%	31.9%	(9.0%)	15.4%	17.4%	(3.1%)
S&P MidCap 400	13.9%	16.4%	(13.1%)	24.8%	13.7%	26.2%	(11.1%)	16.2%	20.7%	(2.2%)
S&P MidCap 400 Growth	15.9%	17.5%	(19.0%)	18.9%	22.8%	26.3%	(10.3%)	19.9%	14.8%	2.0%
S&P MidCap 400 Value	11.7%	15.4%	(6.9%)	30.7%	3.7%	26.1%	(11.9%)	12.3%	26.5%	(6.7%)
S&P SmallCap 600	8.7%	16.1%	(16.1%)	26.8%	11.3%	22.8%	(8.5%)	13.2%	26.6%	(2.0%)
S&P SmallCap 600 Growth	9.6%	17.1%	(21.1%)	22.6%	19.6%	21.1%	(4.1%)	14.8%	22.2%	2.8%
S&P SmallCap 600 Value	7.6%	14.9%	(11.0%)	31.0%	2.5%	24.5%	(12.6%)	11.5%	31.3%	(6.7%)

Source: S&P Dow Jones Indices LLC. Data as of 12/31/2024.

S&P Indexes	Total Returns 1 Yr	3 Yr	5 Yr	10 Yr
S&P 500	25.0%	8.9%	14.5%	13.1%
S&P 500 Growth	36.1%	7.7%	17.1%	15.3%
S&P 500 Value	12.3%	9.2%	10.5%	10.0%
S&P MidCap 400	13.9%	4.9%	10.3%	9.7%
S&P MidCap 400 Growth	15.9%	3.3%	10.0%	9.9%
S&P MidCap 400 Value	11.7%	6.3%	10.2%	9.1%
S&P SmallCap 600	8.7%	1.9%	8.4%	9.0%
S&P SmallCap 600 Growth	9.6%	0.4%	8.2%	9.5%
S&P SmallCap 600 Value	7.6%	3.2%	8.1%	8.2%

Source: S&P Dow Jones Indices LLC. Data as of 12/31/2024.

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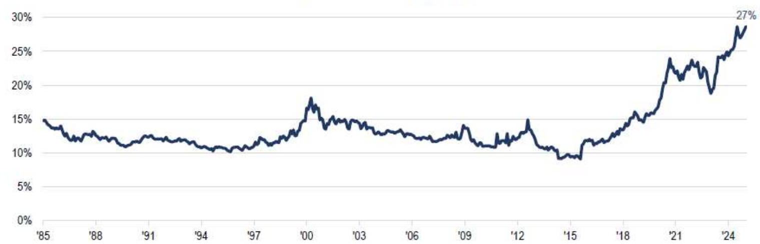
The S&P 500 Is Very Concentrated

S&P 500 INDEX: THE LARGEST 5 NAMES

First Trust

MARKETS

% SHARE OF S&P 500 INDEX



TOP 5 MEMBER FIRMS BY WEIGHT IN THE INDEX

Ticker	Company Name	Weight in S&P 500 Index (12/31/24)
AAPL	Apple Inc.	7.60%
NVDA	NVIDIA Corporation	6.61%
MSFT	Microsoft Corp.	6.29%
AMZN	Amazon.com, Inc.	4.12%
META	Meta Platforms, Inc.	2.56%

Source: First Trust, Bloomberg, FactSet. Data from 12/31/1984 to 12/31/2024. References to specific companies or securities should not be construed as a recommendation to buy or sell any such security, nor should they be assumed profitable. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

Performance of "Magnificent 7" stocks in S&P 500*

Indexed to 100 on 1/1/2021, price return

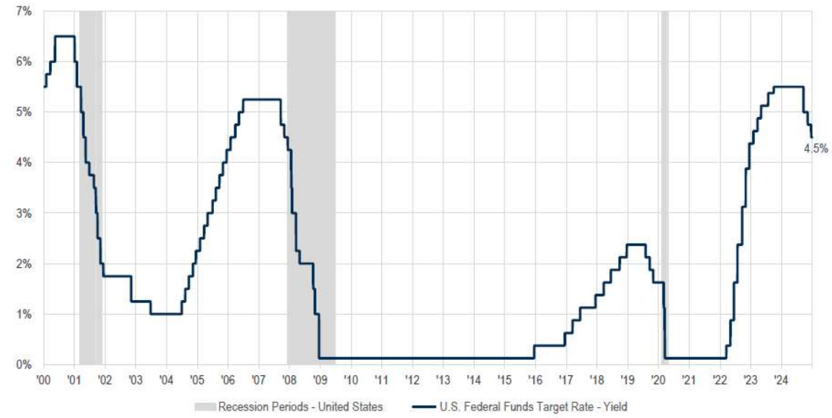
Returns	'21	'22	'23	'24
S&P 500	27%	-19%	24%	23%
S&P 500 ex-Mag 7	17%	-8%	8%	10%
Magnificent 7	40%	-40%	76%	48%
*Share of returns***	33%	56%	63%	55%

Source: J.P. Morgan Asset Management; data as of 12/31/24

U.S. FEDERAL FUNDS TARGET RATE

First Trust

MACRO



Source: First Trust, FactSet. Data from 12/31/1999 to 12/31/2024.

Source: Data Trek Research

S&P 500 Sectors	Total Returns 2024	2023	2022	2021	2020	2019
Communication Services	40.2%	55.8%	(37.7%)	16.0%	23.6%	32.7%
Information Technology	36.6%	57.8%	(27.6%)	34.7%	43.9%	50.3%
Financials	30.6%	12.2%	(10.5%)	35.0%	(1.8%)	32.1%
Consumer Discretionary	30.1%	42.4%	(36.2%)	28.0%	33.3%	27.9%
Utilities	23.4%	(7.1%)	1.6%	17.7%	0.5%	26.4%
Industrials	17.5%	18.1%	(5.5%)	21.1%	11.1%	29.3%
Consumer Staples	14.9%	0.5%	(0.7%)	17.3%	10.8%	27.6%
Energy	5.7%	(1.3%)	64.6%	53.4%	(33.7%)	11.8%
Real Estate	5.2%	12.4%	(26.1%)	46.2%	(2.2%)	29.0%
Health Care	2.6%	2.1%	(2.0%)	26.1%	13.5%	20.9%
Materials	(0.0%)	12.6%	(12.3%)	27.3%	20.7%	24.6%

Source: S&P Dow Jones Indices LLC. Data as of 12/31/2024.

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Model Portfolio Sector Holdings

Sector	SSR Model Portfolio #	SSR Model Portfolio % of Value	SSR Individual Groups Group 1	Group 2	Group 3	Group 4	S&P 500	S&P MidCap 400	S&P SmallCap 600	12-Month Price Change Median	12-Month Price Change Average	P/E Ratio (X)
Energy	2	4.4%	0.0%	0.0%	8.5%	7.4%	3.0%	5.6%	5.0%	-1.7%	10.9%	12.1
Materials	3	7.8%	10.6%	0.0%	11.2%	8.9%	1.7%	6.0%	4.9%	-2.2%	9.2%	19.3
Industrials	7	14.1%	17.8%	18.2%	18.1%	5.2%	7.6%	21.2%	17.9%	4.2%	19.4%	24.6
Consumer Discretionary	8	23.1%	30.4%	10.4%	4.3%	48.7%	11.1%	14.5%	14.0%	-5.2%	15.5%	19.1
Consumer Staples	2	3.5%	0.0%	16.0%	0.0%	0.0%	5.8%	4.9%	3.6%	-5.7%	15.7%	23.0
Health Care	4	10.3%	10.2%	0.0%	14.1%	15.4%	9.6%	9.6%	11.5%	-18.1%	2.1%	28.5
Financials	6	15.1%	8.7%	37.9%	17.9%	0.0%	13.2%	17.2%	18.7%	14.2%	19.3%	13.0
Information Technology	6	17.4%	22.4%	7.1%	25.8%	14.4%	29.8%	10.3%	11.6%	7.6%	75.0%	31.5
Communication Services	0	0.0%	0.0%	0.0%	0.0%	0.0%	14.2%	1.8%	3.9%	-3.5%	8.6%	20.5
Utilities	1	2.3%	0.0%	10.4%	0.0%	0.0%	2.1%	2.4%	1.9%	5.9%	15.4%	20.2
Real Estate	0	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	6.4%	6.9%	-0.2%	-1.4%	31.9

Source: AAII Stock Investor Pro *and S&P Global. Data as of 1/8/2025.*

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Top and Bottom SSR Performers for 2024

Performance by Group	Total Return*		Risk
SSR Group	2024	2023	Index
Group 1 O'Neil	38.6%	16.4%	1.50
Group 2 Dreman	26.7%	21.9%	1.17
Group 3 O'Shaughnessy	19.4%	29.7%	1.33
Group 4 Neff	1.5%	28.4%	1.20
SSR Portfolio	**18.7%**	**24.5%**	**1.15**
Best-Performing SSR Stocks of 2024			
Hawkins, Inc. (G1: HWKN)	84.2%	--	2.24
Deckers Outdoor Corp. (G1: DECK)	82.5%	29.4%	1.97
MDU Resources Group, Inc. (G2: MDU)	73.7%	(32.7%)	1.80
Fair Isaac Corp. (G1: FICO)	70.9%	36.0%	2.06
Stride, Inc. (G4: LRN)	66.7%	--	1.99
Weakest-Performing SSR Stocks of 2024			
Algoma Steel Group Inc. (G3: ASTL)	(29.9%)	50.3%	2.49
Shutterstock, Inc. (G4: SSTK)	(28.0%)	--	2.29
PBF Energy Inc. (G3: PBF)	(22.5%)	2.6%	2.74
Elevance Health, Inc. (G4: ELV)	(20.8%)	(7.0%)	1.27
Humana Inc. (G4: HUM)	(19.2%)	(10.0%)	1.69

**Internal rate of return while it was held in the SSR tracking portfolio*

Source: S&P Global Market Intelligence. Data as of 12/31/2024.

Top and Bottom SSR Performers for 2023

Performance by Group	Total Return (%)*		Risk
SSR Group	2023	2022	Index
Group 1 O'Neil	16.4	(27.7)	1.21
Group 2 Dreman	21.9	(13.2)	1.04
Group 3 O'Shaughnessy	29.7	(19.1)	1.28
Group 4 Neff	28.4	(5.6)	1.20
SSR Portfolio	**24.5**	**(16.0)**	**1.03**
Best-Performing SSR Stocks of 2023			
PulteGroup, Inc. (G4: PHM)	129.1	(19.4)	1.95
Warrior Met Coal Inc. (G3: HCC)	80.6	41.8	2.40
D.R. Horton, Inc. (G4: DHI)	72.0	(17.0)	1.96
Applied Materials, Inc. (G4: AMAT)	68.0	(37.6)	2.13
Evercore Inc. (G2: EVR)	60.2	14.4	1.92
Weakest-Performing SSR Stocks of 2023			
Allegro MicroSystems, Inc. (G1: ALGM)	(29.9)	—	2.65
Zumiez Inc. (G3: ZUMZ)	(24.4)	(54.7)	1.93
Enphase Energy Inc. (G1: ENPH)	(23.2)	(20.7)	3.73
Tecnoglass Inc. (G1: TGLS)	(20.1)	—	4.40
Digi International Inc. (G1: DGII)	(17.5)	(10.9)	2.28

**Internal rate of return of security while it was held in the SSR tracking portfolio.*

Data as of 12/31/2023.

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Stock Superstars Report Portfolio Statistics

	Annual Portfolio Turnover	Average Buys/Sells per Year	Annual Return	Standard Deviation
Inception	**41%**	**21**	**9.5%**	**17.8%**
2024	44%	33	18.7%	15.6%
2023	27%	18	24.5%	16.5%
2022	30%	15	(16.1%)	22.9%
2021	23%	13	29.2%	9.8%
2020	46%	20	16.7%	31.9%
2019	18%	8	(10.8%)	16.4%
2018	30%	14	18.0%	14.8%
2017	28%	12	18.0%	5.9%
2016	28%	12	13.8%	12.7%
2015	28%	14	(3.1%)	11.5%
2014	27%	12	4.4%	11.4%
2013	24%	13	43.9%	9.6%
2012	38%	15	16.1%	11.2%
2011	27%	12	4.3%	18.6%
2010	36%	14	19.5%	21.7%
2009	45%	17	34.3%	24.5%
2008	40%	21	(43.5%)	28.3%
2007	49%	19	5.5%	8.9%
2006	70%	29	3.0%	11.4%
2005	71%	27	(0.3%)	10.9%
2004	56%	28	14.3%	11.8%
2003	70%	31	40.2%	11.9%
2002	96%	83	0.5%	17.0%

Data as of 12/31/2024

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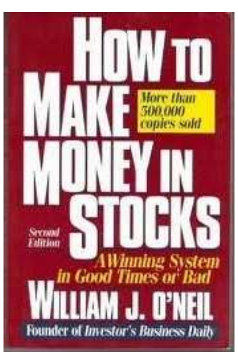
Meet the Stock Superstars

- 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

ONeil Analysis (Ranked by Price as % of 52-Week High)

Company	Ticker	EPS Cont-Growth YoY Q1	EPS Cont-Growth YoY Q2	EPS Cont-Growth 5Y	EPS Increases 7yrs	Price as % of 52-Week High	% Rank-Rel Strength 52-Week	Portfolio Addition Date	Portfolio Addition Price	Current Price	Relative Strength From High	Sector
Deckers Outdoor Corp.	DECK	39.5%	87.3%	27.0%	6	96.7%	92%	9/7/2023	$86.11	$207.52	1.01	Consumer Discretionary
ExlService Holdings, Inc.	EXLS	26.2%	-3.4%	27.7%	6	95.6%	86%	12/19/2024	$44.81	$45.28	1.02	Industrials
Tradeweb Markets Inc.	TW	15.2%	31.0%	-72.1%	5	94.6%	82%	12/7/2023	$91.41	$134.06	1.01	Financials
O'Reilly Automotive, Inc.	ORLY	6.4%	3.2%	19.0%	6	93.9%	77%	1/7/2019	$342.64	$1205.74	0.97	Consumer Discretionary
Microsoft Corporation	MSFT	10.4%	9.7%	18.5%	6	90.7%	64%	5/4/2020	$173.65	$424.56	0.85	Information Technology
Hawkins, Inc.	HWKN	5.5%	23.2%	25.8%	6	84.6%	91%	1/10/2024	$66.55	$118.1	0.89	Materials
Sterling Infrastructure, Inc.	STRL	56.3%	31.5%	36.7%	6	82.1%	95%	12/19/2024	$174.42	$167.05	0.95	Industrials
Fair Isaac Corporation	FICO	35.3%	-0.6%	26.4%	6	81.8%	90%	10/5/2023	$856.06	$1964.42	0.84	Information Technology
ADMA Biologics, Inc.	ADMA	1400.0%	533.3%	38.3%	6	78.5%	99%	8/19/2024	$18.19	$18.56	0.83	Health Care

Data as of 1/8/2025

- **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"

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- 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.

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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

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Group 1 Performance

Security Performance 12/31/2023 – 12/31/2024

Group	Ticker	Company	Year-End Portfolio Weight	Return On Investment	Sector
G1	HWKN	Hawkins, Inc.	2.3%	84.2%	Materials
G1	DECK	Deckers Outdoor Corp.	2.5%	82.5%	Consumer Discretionary
G1	FICO	Fair Isaac Corp.	2.1%	70.9%	Information Technology
G1	TW	Tradeweb Markets Inc.	1.8%	44.8%	Financials
G1	UFPT	UFP Technologies, Inc.	—	38.9%	Health Care
G1	ORLY	O'Reilly Automotive, Inc.	3.7%	24.8%	Consumer Discretionary
G1	MSFT	Microsoft Corp.	2.6%	13.3%	Information Technology
G1	ELF	elf Beauty, Inc.	—	12.5%	Consumer Staples
G1	DVA	DaVita Inc.	—	0.0%	Health Care
G1	EXLS	ExlService Holdings, Inc.	1.9%	-1.0%	Industrials
G1	STRL	Sterling Infrastructure, Inc	1.7%	-3.4%	Industrials
G1	ADMA	ADMA Biologics, Inc.	1.9%	-5.7%	Health Care

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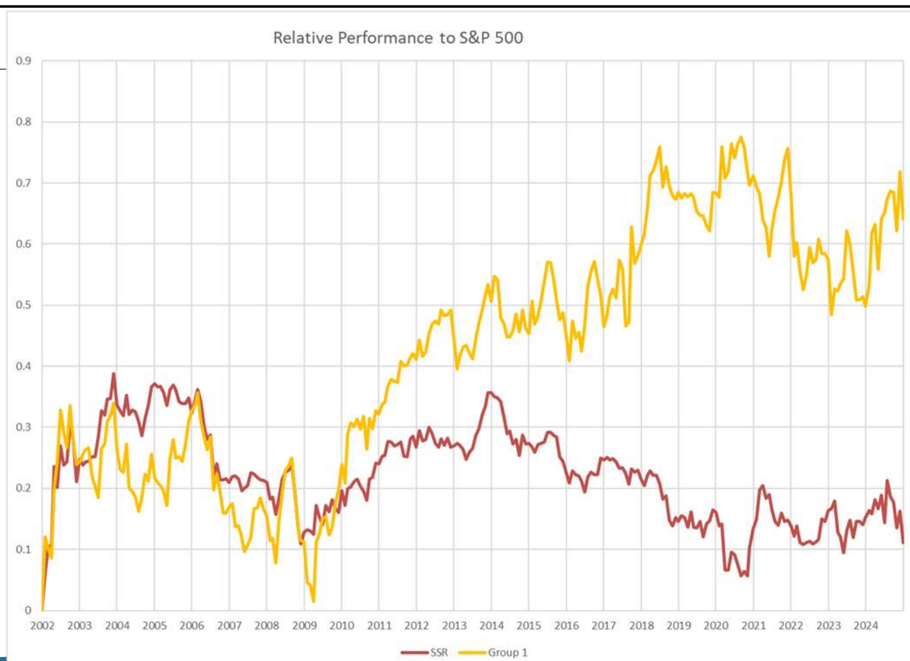
Group 1 Watchlist

ONeil Watchlist (Ranked by Price as % of 52-Week High)

Company	Ticker	Watchlist Alert Date	Watchlist Alert Price	Current Price	EPS Cont-Growth 5Y	EPS Increases 7yrs	EPS Cont-Growth YoY Q1	EPS Cont-Growth YoY Q2	Price as % of 52 Week High	% Rank-Rel Strength 52 week	Sector: Industry
Stride, Inc.	LRN	10/23/24	$89.71	$109.02	38.8%	5	754.5%	40.3%	96.6%	93%	Consumer Discretionary: Diversified Consumer Services
ExlService Holdings, Inc.	EXLS	12/31/24	$44.38	$45.28	27.7%	6	26.2%	-3.4%	95.6%	86%	Industrials: Professional Services
Fortinet, Inc.	FTNT	10/10/24	$104.05	$96.04	30.6%	5	70.7%	48.5%	95.1%	87%	Information Technology: Software
The Descartes Systems Group	DSGX	10/16/24	$107.38	$113.16	27.4%	6	35.5%	25.0%	92.1%	81%	Information Technology: Software
BJ's Wholesale Club Holdings	BJ	1/8/25	$92.57	$92.57	29.9%	6	20.6%	11.3%	91.9%	82%	Consumer Staples: Consumer Staples Dist & Retail
MakeMyTrip Limited	MMYT	11/20/24	$107.27	$112.3	25.2%	5	736.8%	12.6%	91.3%	97%	Consumer Discretionary: Hotels, Restaurants & Leisure

Data as of 1/8/2025



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

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Current Group 2 Portfolio Holdings

Dreman Analysis (Ranked by P/E Ratio)

Company	Ticker	Market Cap (Mil)	% Rank-Market Cap	P/E Ratio	% Rank-PE	Liabilities / Assets Q1 Company	Liabilities / Assets Q1 Industry	EPS Est % Rev-Last Month Y0	EPS Est % Rev-Last Month Y1	Portfolio Addition Date	Portfolio Addition Price	Current Price	Sector: Industry
Terex Corporation	TEX	$3,001.3	64%	6.6	8%	48.2%	51.4%	-0.2%	-4.1%	6/5/2024	$57.52	$44.93	Industrials: Machinery
Signet Jewelers Limited	SIG	$3,239.2	65%	7.1	9%	68.4%	68.6%	-1.7%	-1.2%	8/8/2024	$74.24	$74.48	Consumer Discretionary: Specialty Retail
MDU Resources Group, Inc.	MDU	$3,680.2	67%	9.3	16%	62.6%	66.3%	6.5%	-5.5%	7/1/2020	$15.87	$18.05	Utilities: Gas Utilities
Molson Coors Beverage Co.	TAP	$11,457.5	82%	12.6	30%	49.1%	55.5%	0.0%	0.2%	3/4/2024	$62.37	$55.59	Consumer Staples: Beverages
Ingredion Incorporated	INGR	$8,699.2	79%	13.0	32%	47.2%	55.3%	0.0%	0.0%	8/3/2023	$110.96	$133.51	Consumer Staples: Food Products
JPMorgan Chase & Co.	JPM	$684,493.7	100%	13.5	34%	91.8%	90.3%	1.1%	2.9%	3/4/2015	$66.72	$243.13	Financials: Banks
Primerica, Inc.	PRI	$9,292.3	80%	14.0	35%	86.9%	78.7%	0.0%	0.1%	1/10/2024	$211.19	$278.45	Financials: Insurance
Owens Corning	OC	$14,721.4	85%	14.6	37%	62.3%	55.8%	0.0%	-0.3%	5/30/2023	$109.85	$171.61	Industrials: Building Products
CNO Financial Group, Inc.	CNO	$3,832.2	67%	15.0	38%	92.9%	78.7%	0.0%	0.0%	6/1/2020	$14.35	$37.13	Financials: Insurance
Amdocs Limited	DOX	$9,500.5	80%	19.8	51%	45.2%	56.2%	0.1%	0.4%	11/19/2020	$63.33	$84.21	Information Technology: IT Services

Data as of 1/8/2025

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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

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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

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Group 2 Performance

Security Performance 12/31/2023 – 12/31/2024

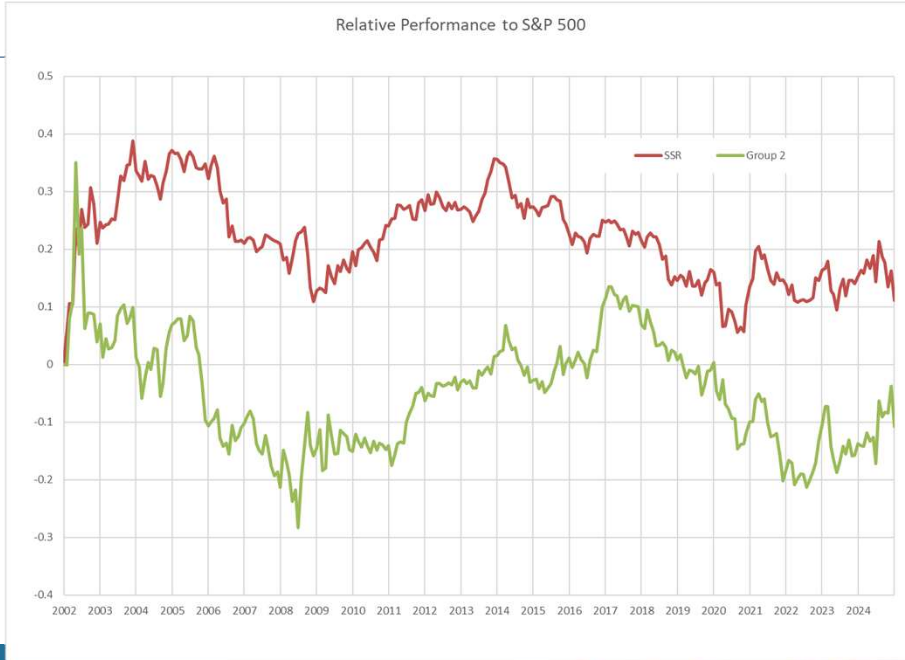
Group	Ticker	Company	Year-End Portfolio Weight	Return On Investment	Sector
G2	MDU	MDU Resources Group, Inc	2.3%	73.7%	Utilities
G2	JPM	JPMorgan Chase & Co.	2.7%	43.6%	Financials
G2	CNO	CNO Financial Group, Inc.	3.0%	35.8%	Financials
G2	EVR	Evercore Inc.	—	35.5%	Financials
G2	WRK	Westrock	—	34.1%	Industrials
G2	PRI	Primerica, Inc.	2.5%	29.4%	Financials
G2	INGR	Ingredion Inc.	2.3%	29.1%	Consumer Staples
G2	OC	Owens Corning	2.3%	16.7%	Industrials
G2	SIG	Signet Jewelers Ltd.	2.5%	9.0%	Consumer Discretionary
G2	DOX	Amdocs Limited	1.6%	-2.0%	Information Technology
G2	CSCO	Cisco Systems, Inc.	—	-2.6%	Information Technology
G2	HUN	Huntsman Corp.	—	-4.3%	Materials
G2	TAP	Molson Coors Beverage Cc	1.4%	-5.9%	Consumer Staples
G2	TEX	Terex Corp.	1.8%	-18.9%	Industrials

Group 2 Watchlist

Dreman Watchlist

Company	Ticker	Watchlist Alert Date	Watchlist Alert Price	Current Price	Market Cap (Mil)	% Rank-Market Cap	P/E Ratio	% Rank-PE	Liabilities / Assets Q1 Company	Liabilities / Assets Q1 Industry	EPS Est % Rev-Last Month Y0	EPS Est % Rev-Last Month Y1	Sector: Industry
Chubb Limited	CB	1/8/2025	$266.65	$266.65	$107,486.1	98%	10.9	22%	72.0%	78.7%	0.2%	0.1%	Financials: Insurance
JD.com, Inc.	JD	11/18/2024	$35.33	$34.72	$50,326.6	95%	10.9	22%	53.9%	61.3%	0.0%	0.2%	Consumer Discretionary: Broadline Retail
T. Rowe Price Group, Inc.	TROW	11/14/2024	$119.8	$112.84	$25,068.5	91%	12.4	29%	18.2%	58.0%	0.3%	1.7%	Financials: Capital Markets
Molson Coors Beverage Co.	TAP	11/14/2024	$62.73	$55.59	$11,457.5	82%	12.6	30%	49.1%	55.5%	0.0%	0.2%	Consumer Staples: Beverages
Telefônica Brasil S.A.	VIV	12/19/2024	$7.94	$7.75	$12,814.0	84%	12.9	31%	44.1%	63.8%	0.0%	0.0%	Communication Services: Diversified Telecom
Ingredion Incorporated	INGR	11/7/2024	$150.	$133.51	$8,699.2	79%	13.0	32%	47.2%	55.3%	0.0%	0.0%	Consumer Staples: Food Products
Maximus, Inc.	MMS	12/31/2024	$74.65	$77.57	$4,677.1	70%	15.5	40%	55.4%	60.8%	1.3%	1.6%	Industrials: Professional Services

Data as of 1/8/2025



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

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Current Group 3 Portfolio Holdings

OShaughnessy Analysis (Ranked by Value Score)

Company	Ticker	Value Score	P/Book Ratio	P/FCF Ratio	P/E Ratio	P/Sales Ratio	EV/ EBITDA Ratio	Shareholder Yield	Financial Strength Score	Earnings Quality Score	Portfolio Addition Date	Portfolio Addition Price	Current Price	Sector: Industry
Teekay Corporation Ltd.	TK	98	0.37	1.2	4.7	0.51	2.6	0.4%	97	92	7/6/2023	$6.33	$7.14	Energy: Oil, Gas & Consumable Fuels
Danaos Corporation	DAC	97	0.51	na	2.8	1.55	2.3	6.1%	39	37	4/3/2023	$55.20	$79.74	Industrials: Marine Transportation
Universal Insurance Holdings	UVE	97	1.63	2.7	7.9	0.38	2.2	8.2%	73	85	1/19/2022	$18.33	$19.67	Financials: Insurance
DNOW Inc.	DNOW	92	1.3	5.1	6.9	0.59	7.1	0.6%	67	54	5/4/2020	$5.94	$12.96	Industrials: Trading Companies & Distributors
Upland Software, Inc.	UPLD	91	0.52	5.8	na	0.49	18.6	16.2%	86	96	12/19/2024	$4.61	$4.61	Information Technology: Software
Warrior Met Coal, Inc.	HCC	83	1.46	na	7.2	1.72	4.4	1.0%	85	58	5/4/2020	$11.39	$52.43	Materials: Metals & Mining
Pathward Financial, Inc.	CASH	70	2.19	10.9	11.3	2.65	na	5.0%	92	76	10/19/2021	$61.00	$74.48	Financials: Banks
NETGEAR, Inc.	NTGR	65	1.44	4.1	41	1.15	na	2.8%	58	82	9/4/2024	$17.15	$26.95	Information Technology: Communications Equip
Inogen, Inc.	INGN	61	1.13	na	na	0.69	na	-2.2%	30	83	10/31/2023	$4.52	$9.72	Health Care: Health Care Equipment & Supplies
Gentex Corporation	GNTX	49	2.66	26.1	14.4	2.63	11.6	3.6%	86	22	11/4/2015	$16.57	$27.18	Consumer Discretionary: Auto Components

Data as of 1/8/2025

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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

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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

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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

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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

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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

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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

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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 12/31/2023 – 12/31/2024

Group	Ticker	Company	Year-End Portfolio Weight	Return On Investment	Sector
G3	NTGR	NetGear, Inc.	4.2%	62.5%	Information Technology
G3	INGN	Inogen, Inc.	3.8%	60.4%	Health Care
G3	CASH	Pathward Financial, Inc.	2.6%	39.3%	Financials
G3	UVE	Universal Insurance Holdir	2.6%	35.2%	Financials
G3	CCRN	Cross Country Healthcare	—	33.5%	Health Care
G3	DNOW	DNOW Inc.	2.4%	14.6%	Industrials
G3	DAC	Danaos Corp.	2.8%	12.5%	Industrials
G3	TK	Teekay Corp.	2.3%	10.6%	Energy
G3	UPLD	Upland Software, Inc.	3.1%	-5.8%	Information Technology
G3	GNTX	Gentex Corp.	1.3%	-10.4%	Consumer Discretionary
G3	HCC	Warrior Met Coal, Inc.	3.3%	-11.4%	Materials
G3	PBF	PBF Energy Inc.	—	-22.5%	Energy
G3	ASTL	Algoma Steel Group Inc.	—	-29.9%	Materials

Group 3 Watchlist

OShaughnessy Watchlist

Company	Ticker	Watchlist Alert Date	Watchlist Alert Price	Current Price	Value Score	P/Book Ratio	P/FCF Ratio	P/E Ratio	P/Sales Ratio	EV/ EBITDA Ratio	Share-holder Yield	Financial Strength Score	Earnings Quality Score	Sector: Industry
Chegg, Inc.	CHGG	11/20/2024	$1.73	$1.65	98	0.18	1.8	na	0.27	11.7	10.1%	86	99	Consumer Discretionary: Diversified Consumer Servi
Teekay Corporation Ltd.	TK	9/5/2024	$7.97	$7.14	98	0.37	1.2	4.7	0.51	2.6	0.4%	97	92	Energy: Oil, Gas & Consumable Fuels
Rocky Brands, Inc.	RCKY	12/12/2024	$23.07	$22.6	95	0.75	2.7	12.7	0.37	6	1.6%	81	87	Consumer Discretionary: Textiles, Apparel & Luxury (
Civeo Corporation	CVEO	10/31/2024	$25.65	$23.22	95	1.03	4.8	16.1	0.48	5	7.8%	89	85	Industrials: Commercial Services & Supplies
Herbalife Ltd.	HLF	10/1/2024	$7.02	$6.64	95	na	3.7	7.8	0.13	6	-1.7%	93	87	Consumer Staples: Personal Care Products
Murphy Oil Corporation	MUR	10/1/2024	$34.51	$32.77	95	0.88	6.6	10.6	1.57	4.7	7.6%	86	85	Energy: Oil, Gas & Consumable Fuels
Navient Corporation	NAVI	10/1/2024	$15.22	$13.08	93	0.51	2.1	18.8	1.44	na	14.9%	98	90	Financials: Consumer Finance
Upland Software, Inc.	UPLD	12/12/2024	$4.74	$4.61	91	0.52	5.8	na	0.49	18.6	16.2%	86	96	Information Technology: Software
Ferroglobe PLC	GSM	11/7/2024	$4.34	$3.92	90	0.85	5	18.7	0.45	5.3	1.1%	93	84	Materials: Metals & Mining
Ranger Energy Services, Inc.	RNGR	12/12/2024	$15.49	$15.48	89	1.27	7.5	24.5	0.62	5.1	10.5%	88	81	Energy: Energy Equipment & Services
Bausch Health Companies	BHC	10/31/2024	$9.2	$7.83	88	na	2.7	na	0.3	8.9	-0.8%	84	91	Health Care: Pharmaceuticals
Invesco Ltd.	IVZ	1/8/2025	$17.12	$17.12	86	0.49	9	na	1.32	11.8	4.1%	93	82	Financials: Capital Markets

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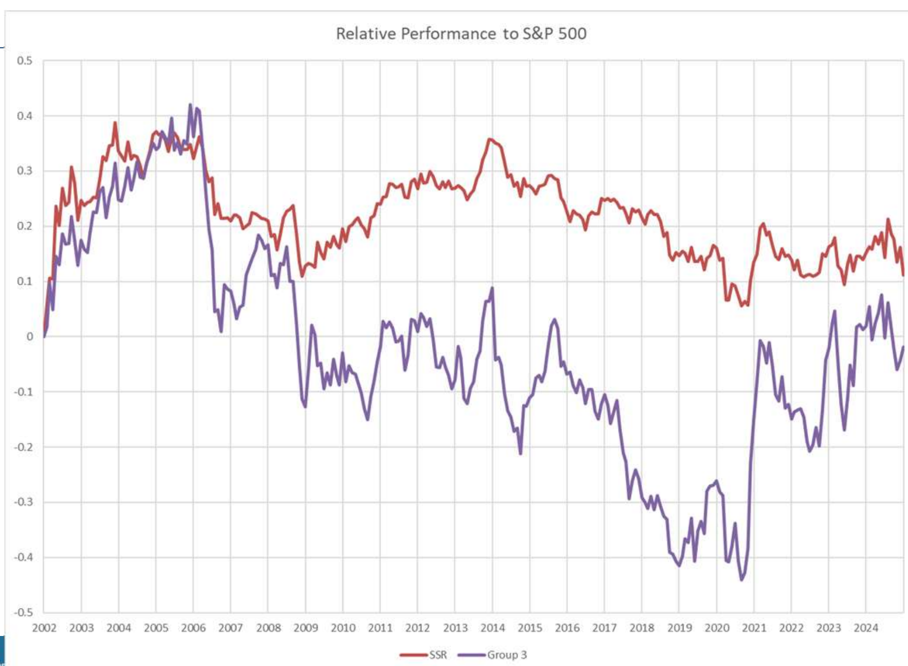

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Featured Stock Superstar:
John Neff

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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

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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

Neff Analysis

Company	Ticker	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	Portfolio Addition Date	Portfolio Addition Price	Current Price	Sector: Industry
Stride, Inc.	LRN	na	15.0%	na	$6.34	13.9%	1.9%	12.2%	1.0%	3/4/2024	$62.36	$109.02	Consumer Discretionary: Diversified Consumer Services
PulteGroup, Inc.	PHM	0.41	9.5%	18.8%	$5.33	21.4%	7.6%	21.3%	7.3%	1/11/2021	$41.53	$110.46	Consumer Discretionary: Household Durables
D.R. Horton, Inc.	DHI	0.49	15.9%	19.0%	$4.94	16.6%	7.6%	16.6%	7.3%	12/10/2015	$33.45	$139.90	Consumer Discretionary: Household Durables
SM Energy Company	SM	0.61	7.6%	8.0%	$3.65	47.0%	21.7%	43.5%	24.7%	11/29/2024	$44.92	$42.65	Energy: Oil, Gas & Consumable Fuels
BorgWarner Inc.	BWA	0.64	6.2%	10.7%	$3.19	8.7%	5.0%	8.8%	5.0%	5/1/2023	$42.51	$31.54	Consumer Discretionary: Automobile Components
Graphic Packaging Holding	GPK	0.67	9.4%	15.5%	-$1.42	13.3%	8.4%	13.7%	9.2%	5/30/2023	$24.71	$26.69	Materials: Containers & Packaging
Elevance Health, Inc.	ELV	1.31	13.2%	9.0%	-$2.62	6.1%	2.9%	5.8%	3.2%	5/4/2020	$267.84	$383.24	Health Care: Health Care Providers & Services
Applied Materials, Inc.	AMAT	1.75	13.2%	10.9%	$7.61	28.9%	6.7%	28.9%	7.7%	5/4/2020	$46.50	$176.99	Information Technology: Semiconductors & Semiconduc
Lockheed Martin Corp	LMT	2.80	4.7%	3.2%	$14.39	12.6%	8.4%	13.4%	8.5%	8/3/2020	$377.62	$468.85	Industrials: Aerospace & Defense
Cencora, Inc.	COR	3.15	10.4%	9.1%	$13.00	1.0%	2.9%	1.0%	3.2%	6/30/2020	$98.81	$237.83	Health Care: Health Care Providers & Services

Data as of 1/8/2025

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

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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

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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

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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."

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Group 4 Performance

Security Performance 12/31/2023 – 12/31/2024

Group	Ticker	Company	Year-End Portfolio Weight	Return On Investment	Sector
G4	LRN	Stride, Inc.	4.0%	66.7%	Consumer Discretionary
G4	TSCO	Tractor Supply Co.	—	14.3%	Consumer Discretionary
G4	GPK	Graphic Packaging Holding	2.5%	11.7%	Materials
G4	COR	Cencora, Inc.	2.5%	10.9%	Health Care
G4	LMT	Lockheed Martin Corp.	1.5%	9.4%	Industrials
G4	PHM	PulteGroup, Inc.	4.5%	6.4%	Consumer Discretionary
G4	AMAT	Applied Materials, Inc.	3.7%	0.9%	Information Technology
G4	DHI	D.R. Horton, Inc.	3.3%	-7.3%	Consumer Discretionary
G4	BWA	BorgWarner Inc.	1.5%	-10.5%	Consumer Discretionary
G4	SM	SM Energy Co.	1.9%	-13.7%	Energy
G4	HUM	Humana Inc.	—	-19.2%	Health Care
G4	ELV	Elevance Health, Inc.	1.5%	-20.8%	Health Care
G4	SSTK	Shutterstock, Inc.	—	-28.0%	Communication Services

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Group 4 Watchlist

Company	Ticker	Date	Portfolio Addition Date	Portfolio Addition 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	Sector: Industry
PulteGroup, Inc.	PHM	10/02/2024	$143.30	$110.46	0.41	9.5%	18.8%	533.0%	21.4%	7.6%	21.3%	7.3%	Consumer Discretionary: Household Durables
D.R. Horton, Inc.	DHI	11/07/2024	$168.11	$139.90	0.49	15.9%	19.0%	494.0%	16.6%	7.6%	16.6%	7.3%	Consumer Discretionary: Household Durables
Atkore Inc.	ATKR	10/01/2024	$176.44	$82.84	0.56	10.8%	10.0%	1002.0%	19.5%	1.0%	19.5%	0.4%	Industrials: Electrical Equipment
KB Home	KBH	10/01/2024	$0.00	$65.34	0.58	7.1%	13.0%	267.0%	11.6%	7.6%	12.0%	7.3%	Consumer Discretionary: Household Durables
SM Energy Company	SM	10/10/2024	$44.89	$42.65	0.61	7.6%	8.0%	365.0%	47.0%	21.7%	43.5%	24.7%	Energy: Oil, Gas & Consumable Fuels
Murphy Oil Corporation	MUR	10/16/2024	$32.76	$32.77	0.64	13.8%	13.0%	494.0%	23.5%	21.7%	30.1%	24.7%	Energy: Oil, Gas & Consumable Fuels
Janus International Group	JBI	10/31/2024	$7.36	$7.00	0.65	17.1%	15.0%	104.0%	20.4%	10.6%	23.2%	11.8%	Industrials: Building Products
Cincinnati Financial Corp	CINF	07/26/2024	$123.96	$141.71	0.69	13.1%	8.3%	1326.0%	32.3%	12.2%	23.3%	10.6%	Financials: Insurance
Target Hospitality Corp.	TH	10/01/2024	$7.56	$9.72	0.74	18.6%	15.0%	127.0%	32.4%	10.0%	43.6%	10.2%	Consumer Discretionary: Hotels, Restaurants & L
Match Group, Inc.	MTCH	12/12/2024	$30.58	$31.86	0.77	14.2%	16.0%	337.0%	24.7%	2.2%	27.3%	-1.4%	Communication Services: Interactive Media & Se
Upbound Group, Inc.	UPBD	11/07/2024	$32.80	$29.87	0.79	8.5%	20.0%	9.0%	7.0%	3.8%	4.3%	4.1%	Consumer Discretionary: Specialty Retail
Toll Brothers, Inc.	TOL	01/08/2025	$127.03	$127.03	0.86	8.5%	9.2%	813.0%	19.4%	7.6%	19.4%	7.3%	Consumer Discretionary: Household Durables
OFG Bancorp	OFG	10/23/2024	$39.55	$42.05	0.90	13.1%	9.0%	541.0%	44.7%	33.7%	44.2%	35.7%	Financials: Banks
NMI Holdings, Inc.	NMIH	07/25/2024	$110.35	$35.68	0.91	16.1%	9.1%	474.0%	77.9%	16.9%	76.8%	14.4%	Financials: Financial Services
First BanCorp.	FBP	10/31/2024	$19.28	$18.68	0.93	10.3%	7.7%	164.0%	44.7%	33.7%	46.3%	35.7%	Financials: Banks
CONMED Corporation	CNMD	10/31/2024	$66.24	$68.76	0.94	7.7%	16.2%	459.0%	11.5%	-1.8%	10.2%	-2.5%	Health Care: Health Care Equipment & Supplies
Skechers U.S.A., Inc.	SKX	10/01/2024	$66.95	$69.31	0.96	11.4%	17.8%	261.0%	10.0%	9.0%	9.8%	9.7%	Consumer Discretionary: Textiles, Apparel & Lux
W. R. Berkley Corporation	WRB	10/10/2024	$58.10	$58.09	0.97	9.6%	13.0%	833.0%	16.7%	12.2%	15.8%	10.6%	Financials: Insurance
Leidos Holdings, Inc.	LDOS	11/14/2024	$167.96	$145.75	1.01	8.7%	15.4%	775.0%	10.8%	8.0%	8.4%	8.2%	Industrials: Professional Services
Strategic Education, Inc.	STRA	10/01/2024	$91.03	$93.04	1.01	12.3%	15.0%	365.0%	14.2%	1.9%	10.0%	1.0%	Consumer Discretionary: Diversified Consumer S
Centene Corporation	CNC	12/12/2024	$58.00	$63.17	1.03	20.0%	10.7%	46.0%	3.2%	2.9%	3.4%	3.2%	Health Care: Health Care Providers & Services
ConocoPhillips	COP	12/12/2024	$100.91	$101.62	1.03	9.1%	8.0%	434.0%	26.8%	21.7%	28.4%	24.7%	Energy: Oil, Gas & Consumable Fuels
Advanced Drainage Syst	WMS	11/20/2024	$128.39	$115.02	1.04	15.7%	17.0%	450.0%	24.3%	10.6%	25.2%	11.8%	Industrials: Building Products
Webster Financial Corp	WBS	10/01/2024	$44.86	$55.27	1.08	16.9%	8.6%	164.0%	47.6%	33.7%	48.7%	35.7%	Financials: Banks
Gibraltar Industries, Inc.	ROCK	12/19/2024	$60.59	$59.01	1.09	10.5%	15.0%	477.0%	12.2%	10.6%	12.2%	11.8%	Industrials: Building Products

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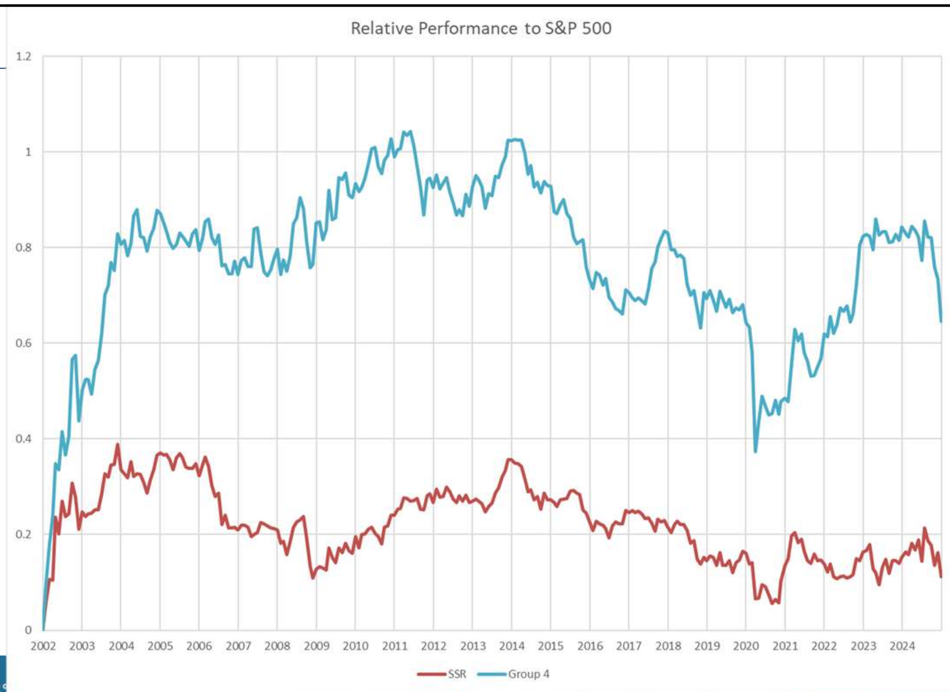

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Stock Superstar

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

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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**
with questions or comments
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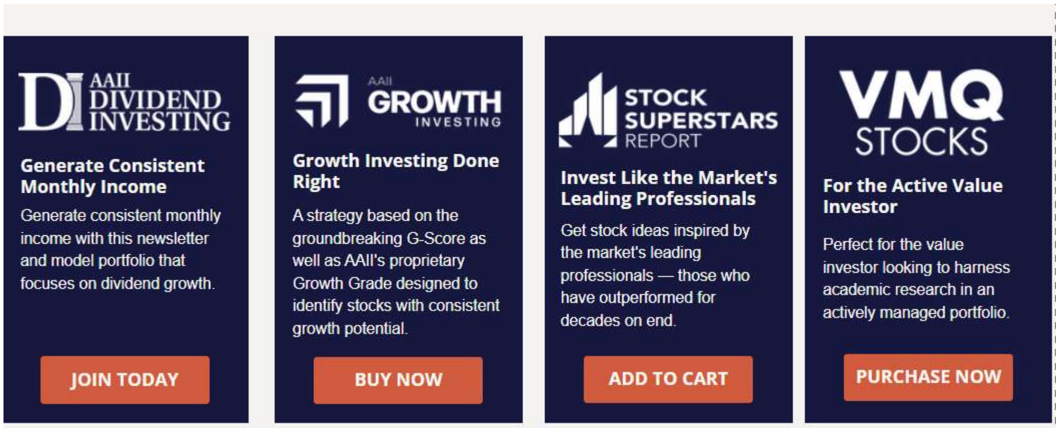

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