

# Lowell Wickman

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Use of AAll screens in stock picking

Most active investors think they are outperforming the market when they are really underperforming.

Use of AAll stock screens that have performed well since inception can remove subjectivity from stock picking.

## AAll Stock Screens sorted by performance since inception

YTD	3-Year	5-Year	10-Year	Inception	Risk Index	Category	Alphabetical
Screen Performance Snapshots (click tabs to change sort order)							
Screen	Annual Price Gain (%)					Risk	
	YTD	3 Yr	5 Yr	10 Yr	Inception	Index	Category
1. <b>Piotroski: High F-Score</b> A study of low price-to-book Value stocks to see if its possible to establish basic financial criteria to help separate the winners from the losers.	117.2%	50.5%	44.0%	31.3%	31.2%	2.07	Value
2. <b>Est Rev: Up 5%</b> Introduction to the use of earnings estimates.	17.4%	23.7%	32.2%	27.1%	28.4%	1.75	Earnings Estimates
3. <b>Est Rev: Top 30 Up</b> Introduction to the use of earnings estimates.	25.7%	21.3%	32.4%	26.2%	26.1%	1.83	Earnings Estimates
4. <b>O'Shaughnessy: Tiny Titans</b> O'Shaughnessy tries to	32.7%	12.6%	12.0%	12.0%	25.1%	1.93	Value With Price Momentum
Benchmark: S&P 500							
	17.9%	13.8%	7.6%	5.4%	3.6%	1.00	

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historical long-term trends.							
5. <b>O'Neil's CAN SLIM</b> An interesting approach that combines both fundamental and technical factors to seek out companies with strong earnings and price momentum.	15.5%	9.0%	14.8%	16.8%	24.5%	1.89	Growth With Price Momentum
6. <b>Graham-Enterprising Investor Revised</b> Credited as one of the fathers of in-depth security analysis, Graham's approach focuses on the concept of intrinsic Value.	8.1%	3.7%	21.0%	24.0%	21.9%	1.74	Value
7. <b>Stock Market Winners</b> A screen that tries to							Growth &

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environment.							
<b>8. MAGNET Simple</b> These two blend Value, Growth and momentum investing styles into a single stock selection model.	4.3%	8.7%	30.8%	21.8%	21.0%	2.95	Growth & Value With Price Momentum
<b>9. Price-to-Free-Cash-Flow</b> An exploration of the basics of cash flow analysis and the implementation of a price to free cash flow screen.	67.6%	22.1%	29.2%	19.1%	20.3%	1.78	Value
<b>10. Value on the Move-PEG With Est Growth</b> Using PEG ratios and	47.3%	21.5%	15.6%	19.0%	20.1%	1.33	Growth & Value With Price
Benchmark: S&P 500	17.9%	13.8%	7.6%	5.4%	3.6%	1.00	

## AAll Stock Screens Principals

### Undervalued and Growing

Piotroski

Graham Enterprising Investor Revised

Neff

### Estimated Earnings Up

Estimates Revised Up 5%

Estimates Revised Up Top 30

### Small, Undervalued, with Momentum

Tiny Titans

### Small, Growing, with Momentum

CAN SLIM

Stock Market Winners

Magnet Simple

## Modifications to AAI Methodology

Include ADRs except for China, Poland, and Argentina stocks.  
Exclude companies with a low average dollar volume.

### Piotroski using last four quarters

Buy and hold for one year or until fundamentals fail.  
Use the four most recent quarters instead of the last fiscal year.

### Earnings Estimates Up 5%

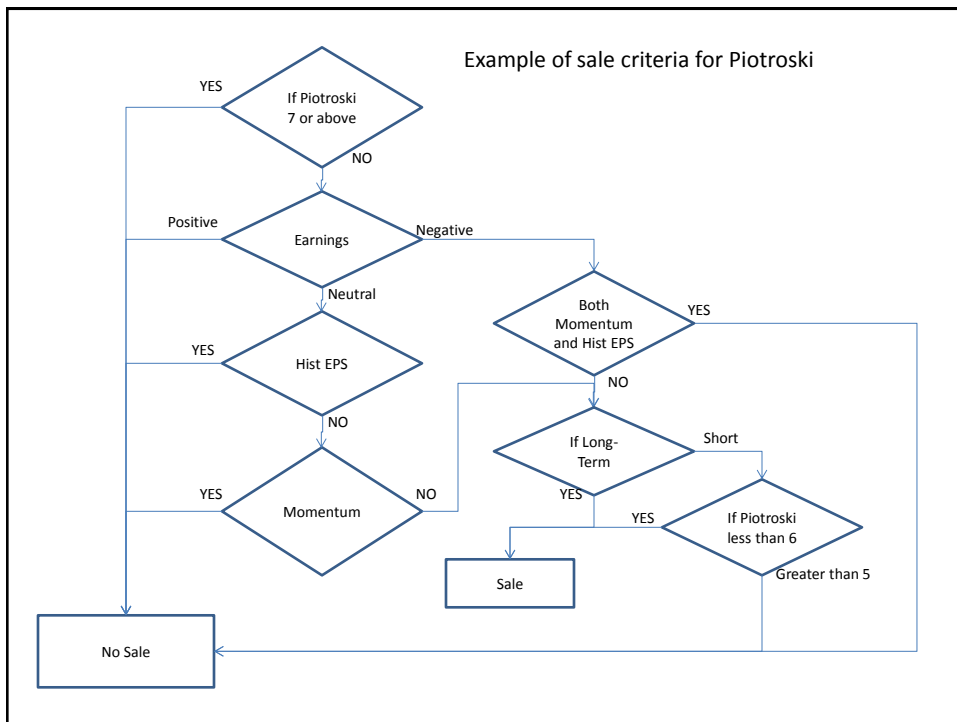
Hold until earnings drop from three months ago  
or stop going up from three months ago.

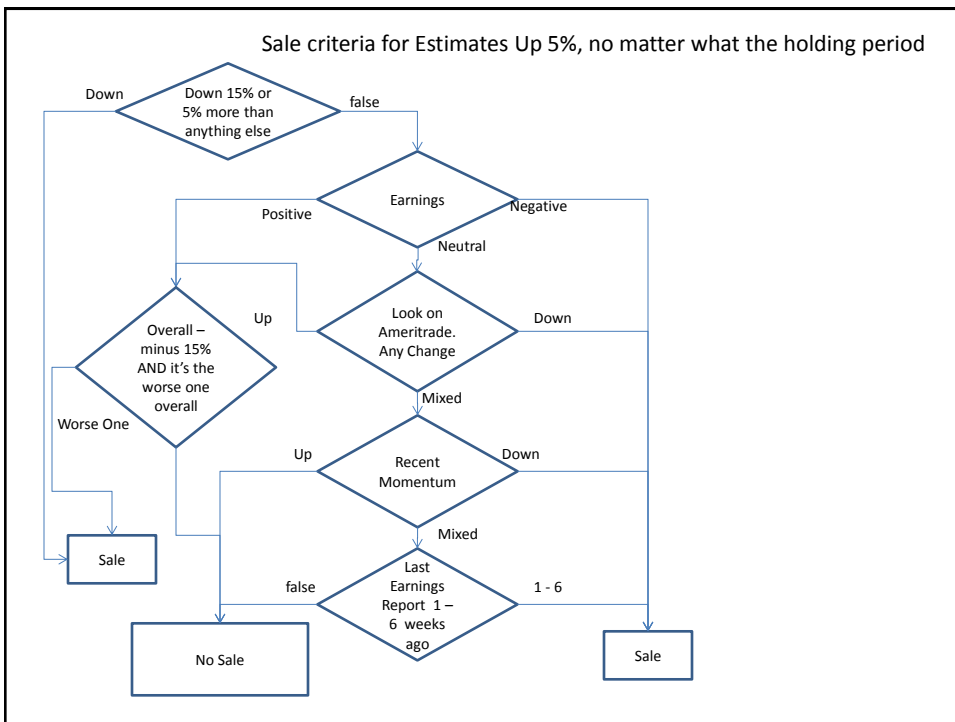
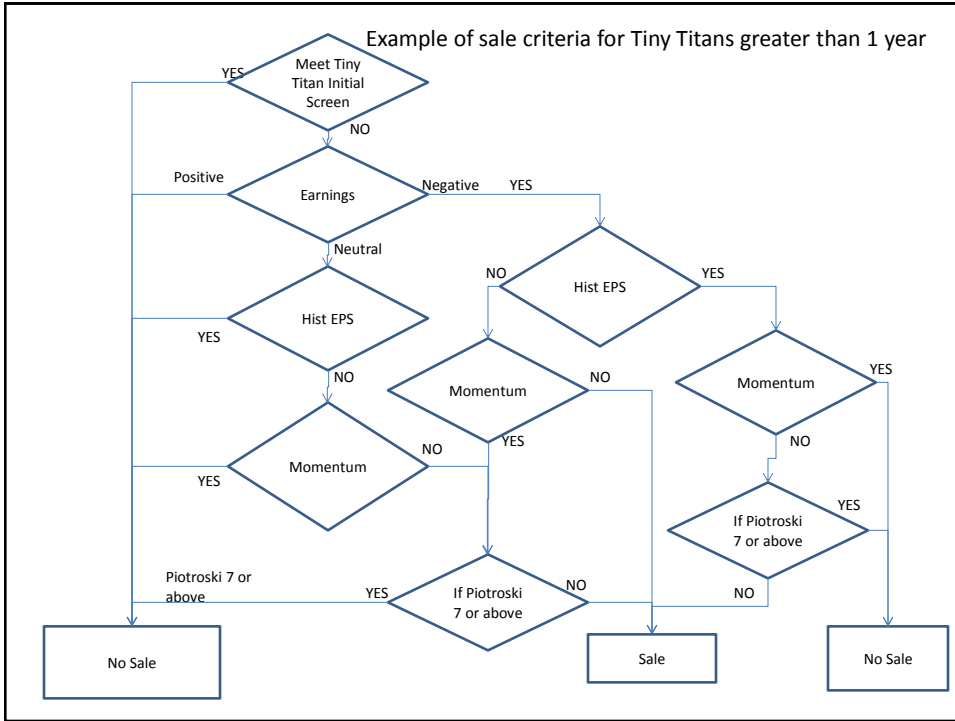
### Tiny Titans

Buy and hold for a year.  
Don't add if more than 20% of portfolio.

### Small, Growing, with Momentum

I have a stock screen that combines the AAI CAN SLIM,  
Simple Magnet, and Stock Market Winners. This has  
not worked out so far.





## RISK Control Plan

Only invest around 1% into any one company

Reduces emotions on any individual company.

Reduces portfolio overall risk.

Use more than one stock screen

Only purchase Tiny Titans if less than 20% of portfolio

Have a plan to reduce risk of a major market correction

Document how you will do this. Possible elements of a plan are:

Intermediate, short-term and/or adjustable bonds.

S&P puts.

A written plan with objective criteria when you're going to sell and, more important, objective criteria when you'll buy back in.

## 2013 results

Total results are outperforming the Vanguard Total Market Index (VTI) reinvested, by somewhere between 3%–12% per year.

My Piotroski results do not match the AAll results. This year, my Piotroski results match VTI, but they do not outperform by 100%.