



**May 2011:
What The Prudent Speculator is Buying Now**



What *The Prudent Speculator* is Buying Today



1. The Foundation
2. Market Outlook
3. Favored Stocks



*“History repeats itself.
Has to.
Nobody listens.”
– Steve Turner*



THE FOUNDATION

Déjà vu All Over Again

“...Already racked by devastating double digit inflation, the nation is now also plunging deeper in to a recession that seems sure to be the longest and could be the most severe since WW II.”

December '74 *Time Magazine*
S&P 500, Two Years Later: +69.9%

“... The Dow Jones Industrial Average, battered by a protracted recession, a deepening erosion of corporate profits and anxieties that brokerage firms as well as banks are becoming increasingly vulnerable.”

Aug '82 *The New York Times*
S&P 500, Two Years Later: +52.7%

“There has been no shortage of crisis, with great attention being paid to the Iraqi invasion of Kuwait, the budget dead locked, the plight of banks and the plunging stock market.”

Oct '90 *The New York Times*
S&P 500, Two Years Later: +43.5%

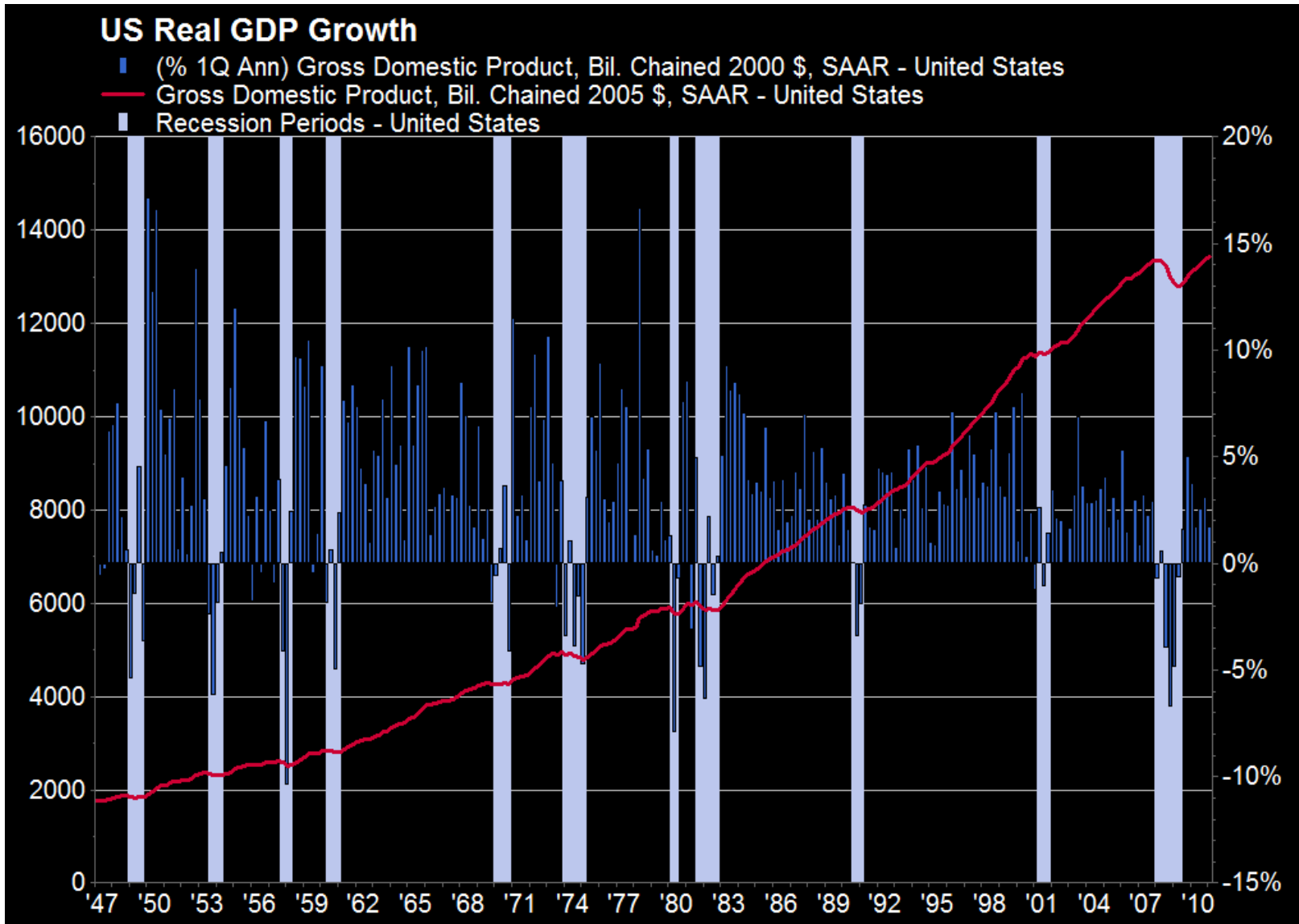
“The World Bank warned that the global economy and global trade volumes would shrink for the first year since World War II. And Warren E. Buffett declared that the economy had ‘fallen off a cliff.’”

Mar 10 '09 *New York Times*
S&P 500, Six Months Later: +52.7%



THE FOUNDATION

The Economy Doesn't Stay Down For Long





THE FOUNDATION

Stocks Have Proved Rewarding

SUMMARY STATISTICS—SBBI DATA SERIES

As the market results for Stocks, Bonds, Bills and Inflation (SBBI) illustrate, outsized returns come with greater volatility...

Series	Annualized Return	Standard Deviation
	Actual	
Large Company Stocks	9.9%	20.4%
Small Company Stocks	12.1%	32.6%
Long Term Corp Bonds	5.9%	8.3%
Long-Term Govt Bonds	5.5%	9.5%
Intermediate Govt Bonds	5.4%	5.7%
Treasury Bills	3.6%	3.1%
Inflation	3.0%	4.2%
	Inflation-Adjusted (Real)	
Large Company Stocks	6.7%	20.4%
Small Company Stocks	8.8%	32.0%
Long Term Corp Bonds	2.9%	9.5%
Long-Term Govt Bonds	2.4%	10.6%
Intermediate Govt Bonds	2.3%	6.8%
Treasury Bills	0.6%	3.9%

Data from December 1925 through December 2010. SOURCE: Al Frank using data from Morningstar.



THE FOUNDATION

Though The Ride Is Seldom Smooth

Volatility

- S&P 500 - Index Total Return Level
- S&P Mid Cap 400 - Index Total Return Level
- Russell 2000 - Index Total Return Level

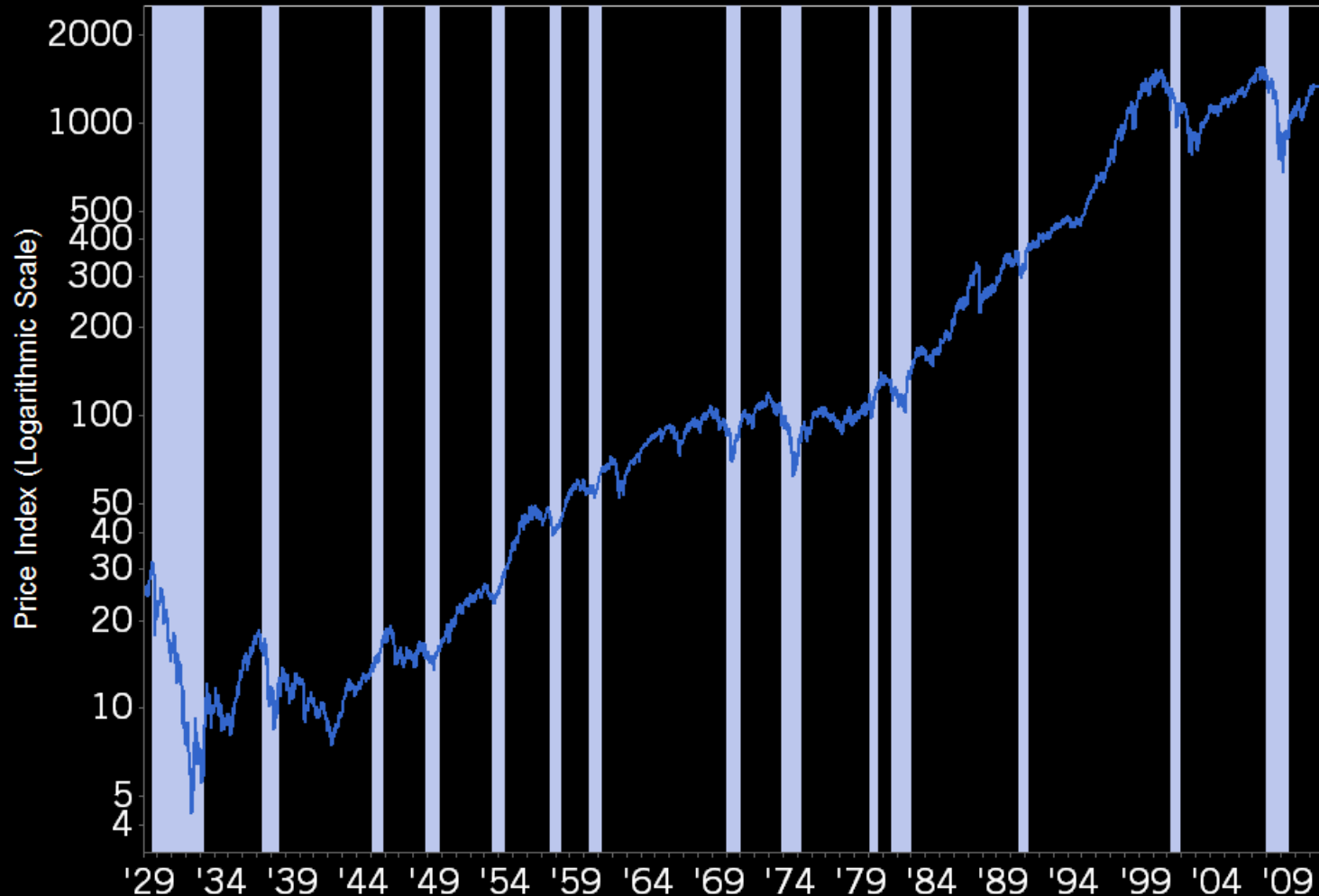




THE FOUNDATION

Even As The Long-Term Direction Is Up

S&P 500 (1929-Present)





Wealth Indices of Investments in the U.S. Capital Markets

Effect of \$1.00 Invested at Year-End 1925 & Annualized Return

Small Company Stocks	Large Company Stocks	LT Govt Bonds	T-Bills	Inflation
\$16,054.70	\$2,982.24	\$92.94	\$20.55	\$12.23
12.1%	9.9%	5.5%	3.6%	3.0%

From December 31, 1925 through December 31, 2010. Hypothetical investment assumes the reinvestment of dividends and capital gains. Past performance does not guarantee future results. SOURCE: Morningstar *Stocks, Bonds, Bills and Inflation Classic Yearbook* – Pages 25 & 28.



AFAM
AL FRANK ASSET MANAGEMENT

THE FOUNDATION

No Need to Get Rich Quick

On January 3, 1973, George Steinbrenner purchased the New York Yankees from CBS for \$8.8 million (\$10 million less \$1.2 million for two parking garages sold back to CBS). When 'The Boss' died in July, 2010, the Yankees were said to be worth \$1.6 billion. Assuming no profits/losses/taxes along the way, the return on his investment worked out to:



AFAM
AL FRANK ASSET MANAGEMENT

THE FOUNDATION

No Need to Get Rich Quick

On January 3, 1973, George Steinbrenner purchased the New York Yankees from CBS for \$8.8 million (\$10 million less \$1.2 million for two parking garages sold back to CBS). When 'The Boss' died in July, 2010, the Yankees were said to be worth \$1.6 billion. Assuming no profits/losses/taxes along the way, the return on his investment worked out to:

14.5% per annum



THE FOUNDATION

Patience Is A Virtue

ACTUAL RETURNS AND RISK OF LOSS

...though the odds of making money (%Pos) in stocks are favorable even for those who are short-term-oriented, but a wise investor...

Period	#Pos	#Neg	%Pos	#Pos	#Neg	%Pos
	Small Company Stocks			Large Company Stocks		
1 Month	620	400	61%	630	390	62%
3 Months	640	378	63%	687	331	67%
6 Months	676	339	67%	710	305	70%
1 Year	724	285	72%	739	270	73%
2 Years	787	210	79%	804	193	81%
3 Years	807	178	82%	810	175	82%
5 Years	832	129	87%	835	126	87%
7 Years	862	75	92%	883	54	94%
10 Years	873	28	97%	848	53	94%
15 Years	822	19	98%	839	2	100%
20 Years	781	0	100%	781	0	100%

Data from December 1925 through December 2010. SOURCE: Al Frank using data from Morningstar.

REAL RETURNS AND RISK OF LOSS

...learns quickly that the chances of losing principal and purchasing power decrease the longer the commitment to equities.

Period	#Pos	#Neg	%Pos	#Pos	#Neg	%Pos
	Small Company Stocks			Large Company Stocks		
1 Month	596	424	58%	604	416	59%
3 Months	611	407	60%	636	382	62%
6 Months	633	382	62%	657	358	65%
1 Year	684	325	68%	685	324	68%
2 Years	728	269	73%	714	283	72%
3 Years	759	226	77%	720	265	73%
5 Years	773	188	80%	723	238	75%
7 Years	834	103	89%	775	162	83%
10 Years	852	49	95%	760	141	84%
15 Years	832	9	99%	794	47	94%
20 Years	781	0	100%	781	0	100%

Data from December 1925 through December 2010. SOURCE: Al Frank using data from Morningstar.



*“He who lives by the
crystal ball soon learns
to eat ground glass.”
– Edgar R. Fiedler*



Budget Deficit

Tax Policy

Legislative Unknowns

Banks Under Pressure

Housing in the Dumps

Commercial Real Estate

PIIGS

Dollar Volatility

Interest & Inflation Rates

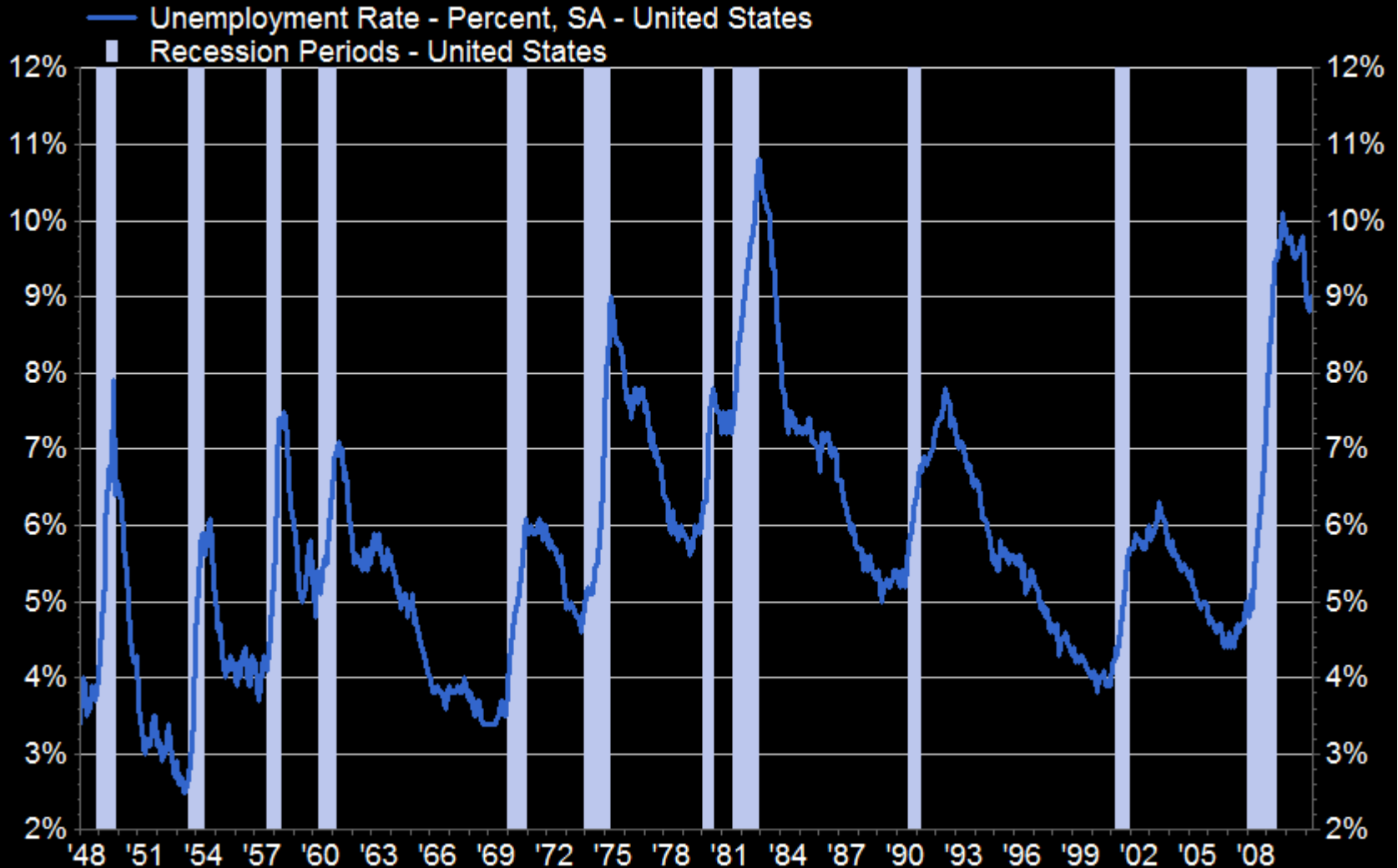




MARKET OUTLOOK

Jobs Are Scarce

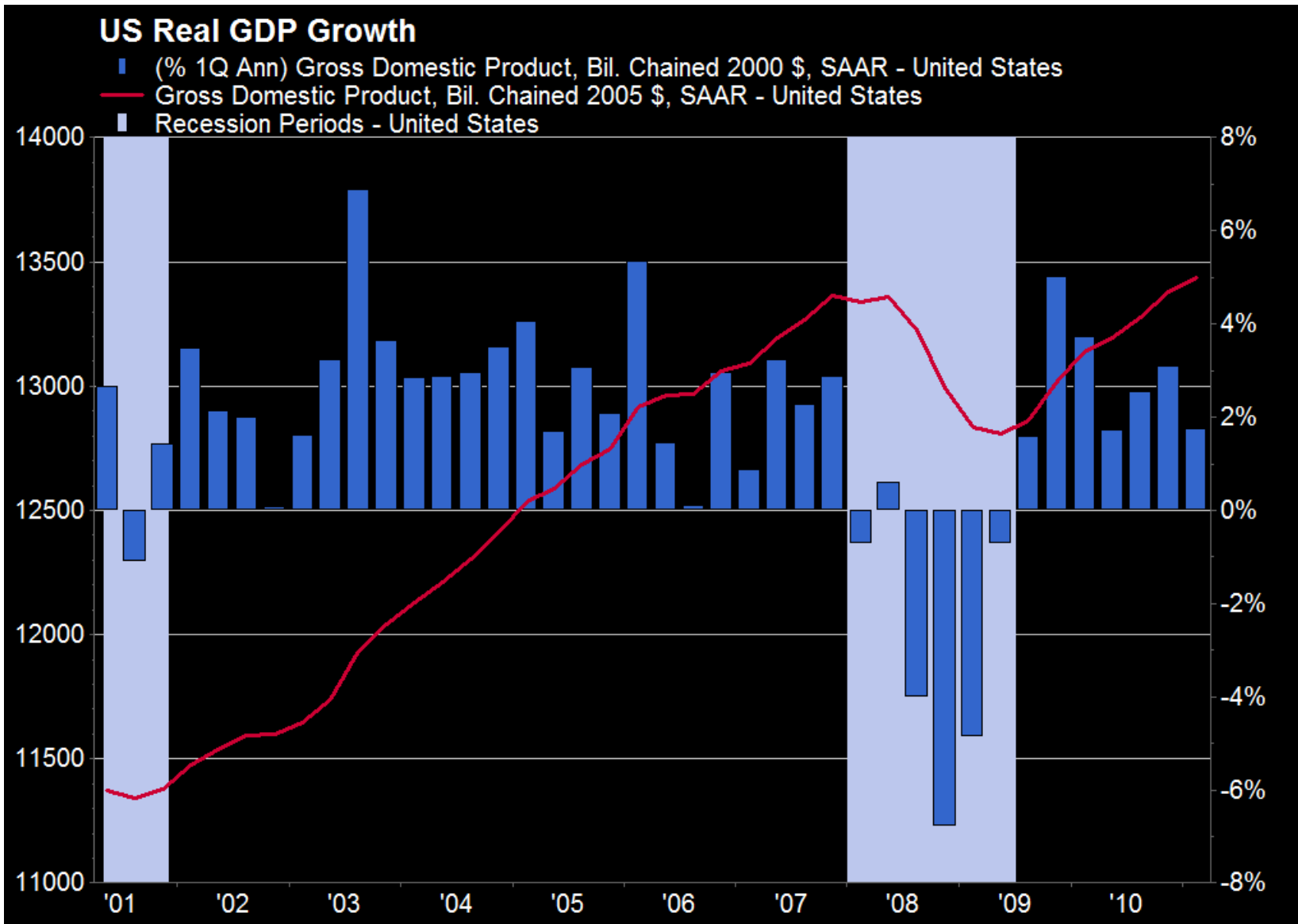
U.S. Unemployment Rate





MARKET OUTLOOK

But The Economy Is Growing

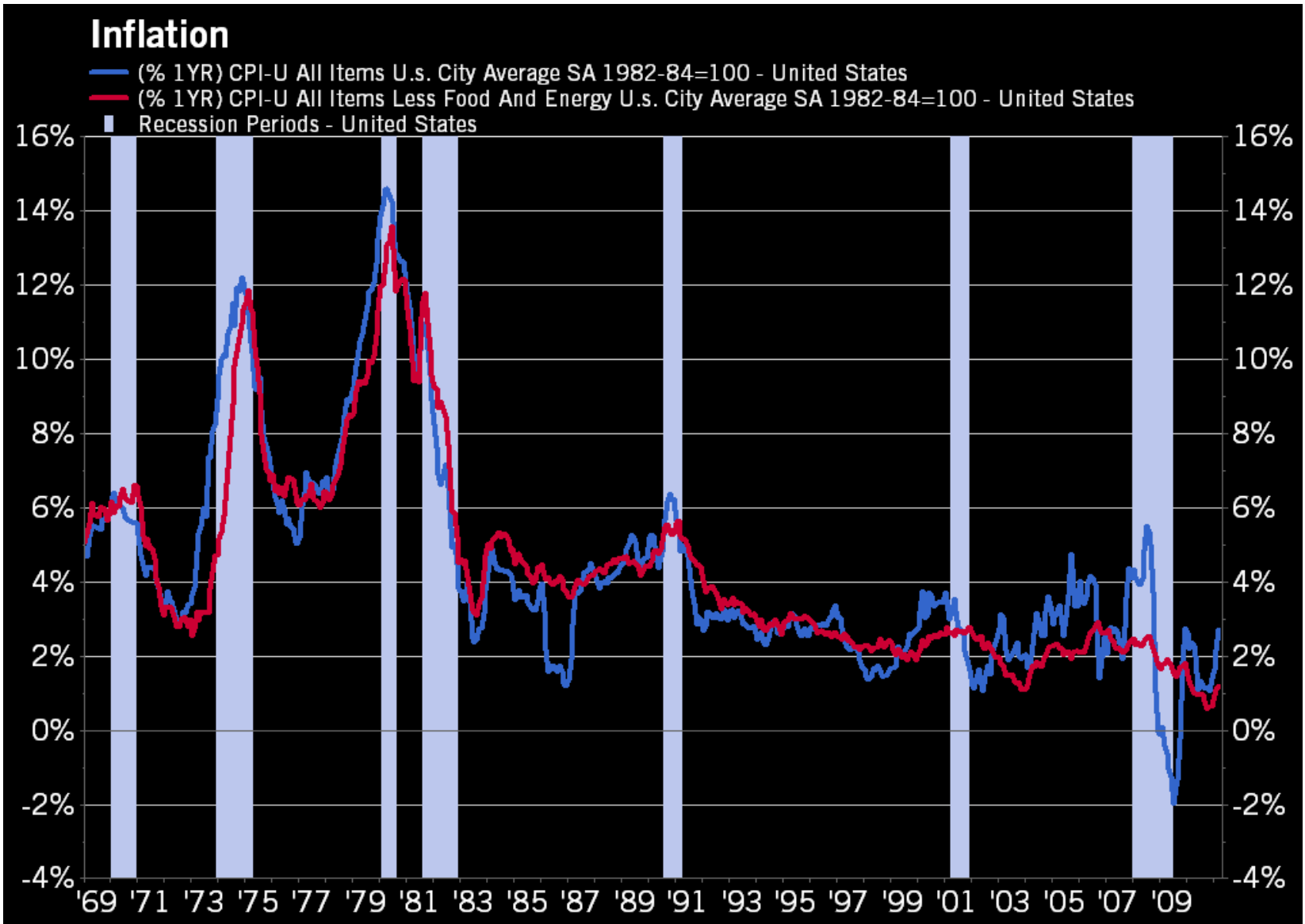


Source: FactSet Research Systems



MARKET OUTLOOK

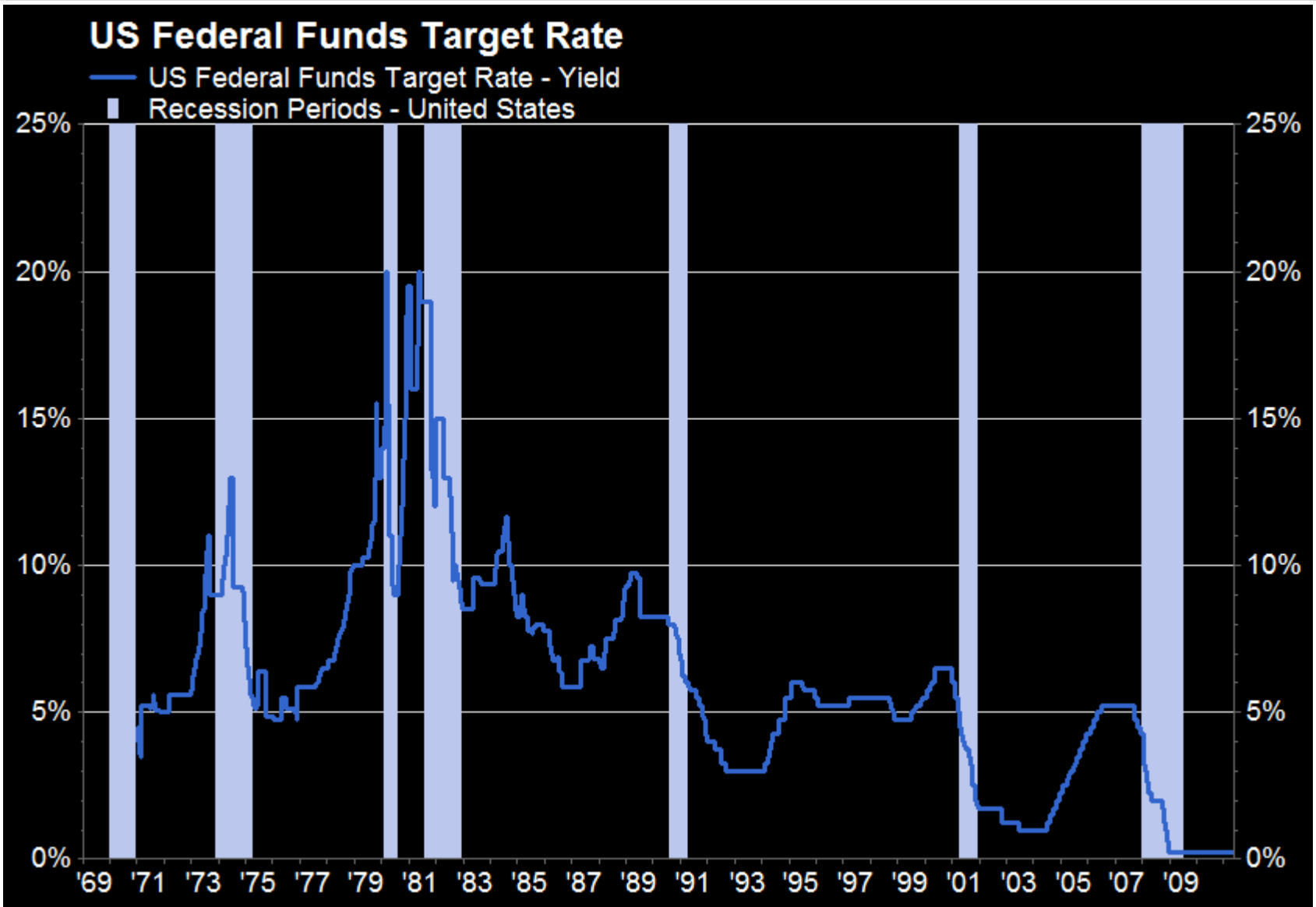
Inflation Is Still Low





MARKET OUTLOOK

And The Fed Remains Accommodative



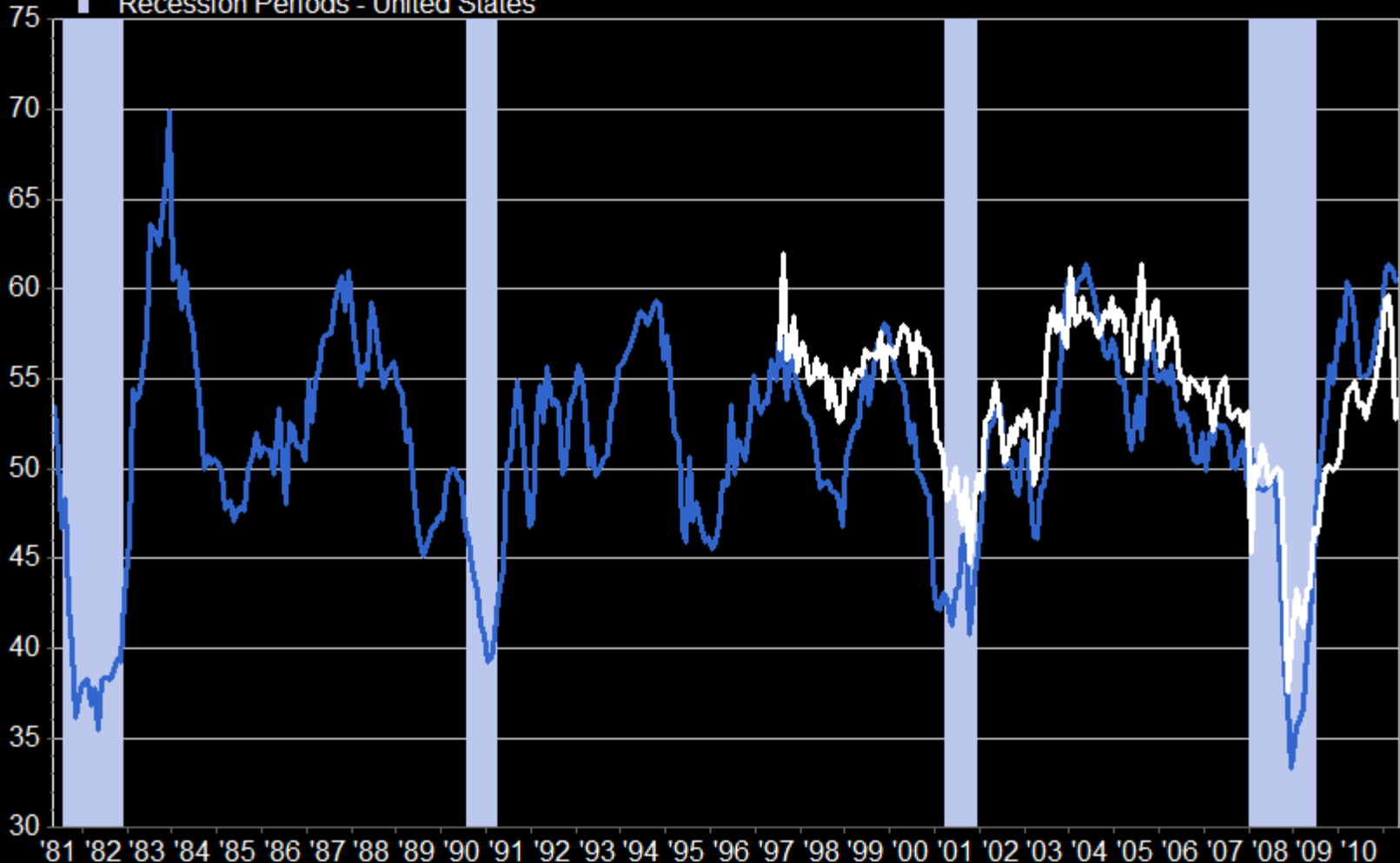


MARKET OUTLOOK

Factory & Service Sectors Still Expanding

ISM Report on Business

- ISM (NAPM) Manufacturing, Purchasing Managers Index - United States
- ISM (NAPM) Non-Manufacturing Index - United States
- Recession Periods - United States



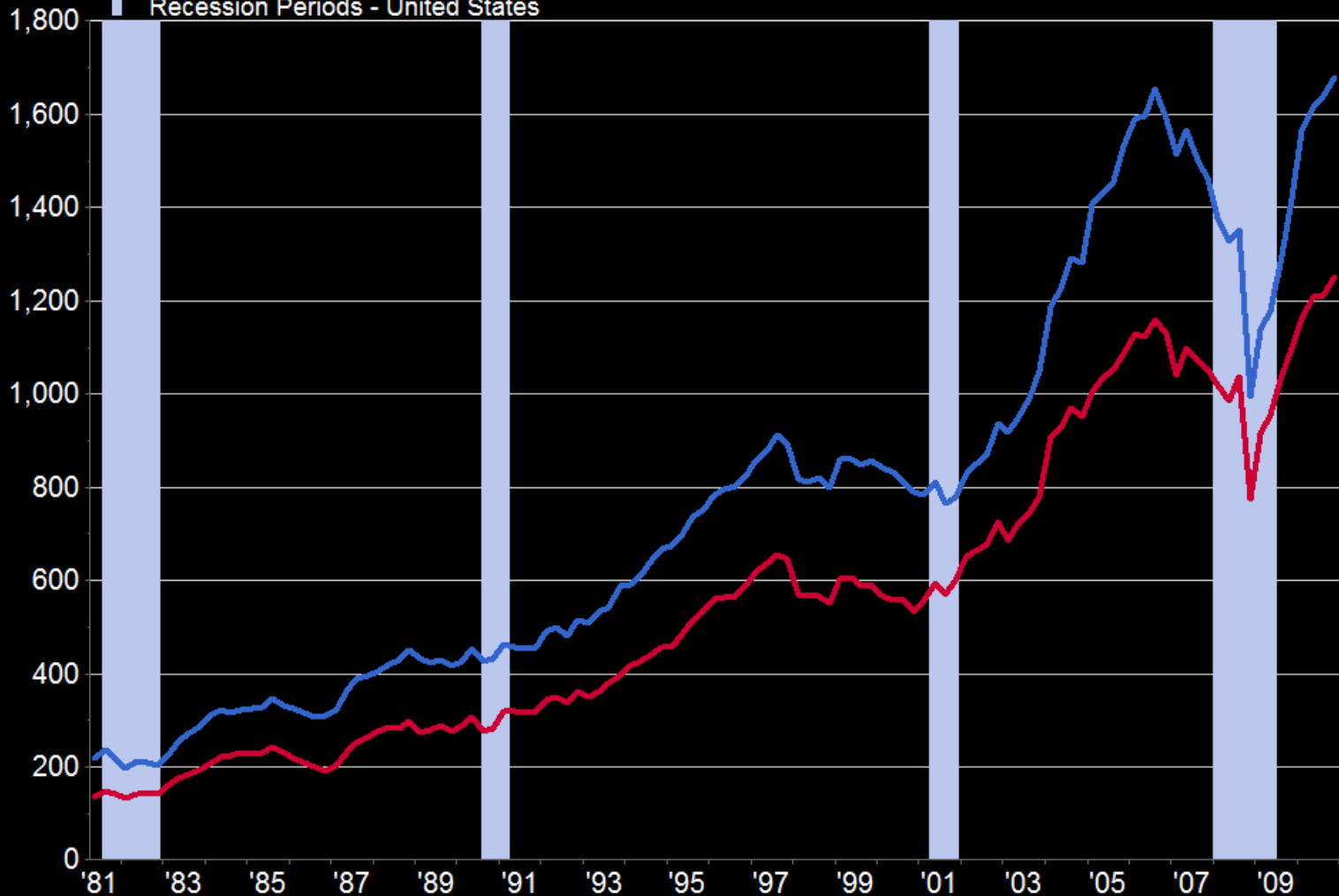


MARKET OUTLOOK

Profits Have Climbed To New Highs

Corporate Profits

- National Income, Corporate Profits with IVA & CCAdj, Bil. \$, SAAR - United States
- National Income, Corporate Profits with IVA & CCAdj, Profits After Tax with IVA & CCAdj, Bil. \$ - United States
- Recession Periods - United States



Source: FactSet Research Systems

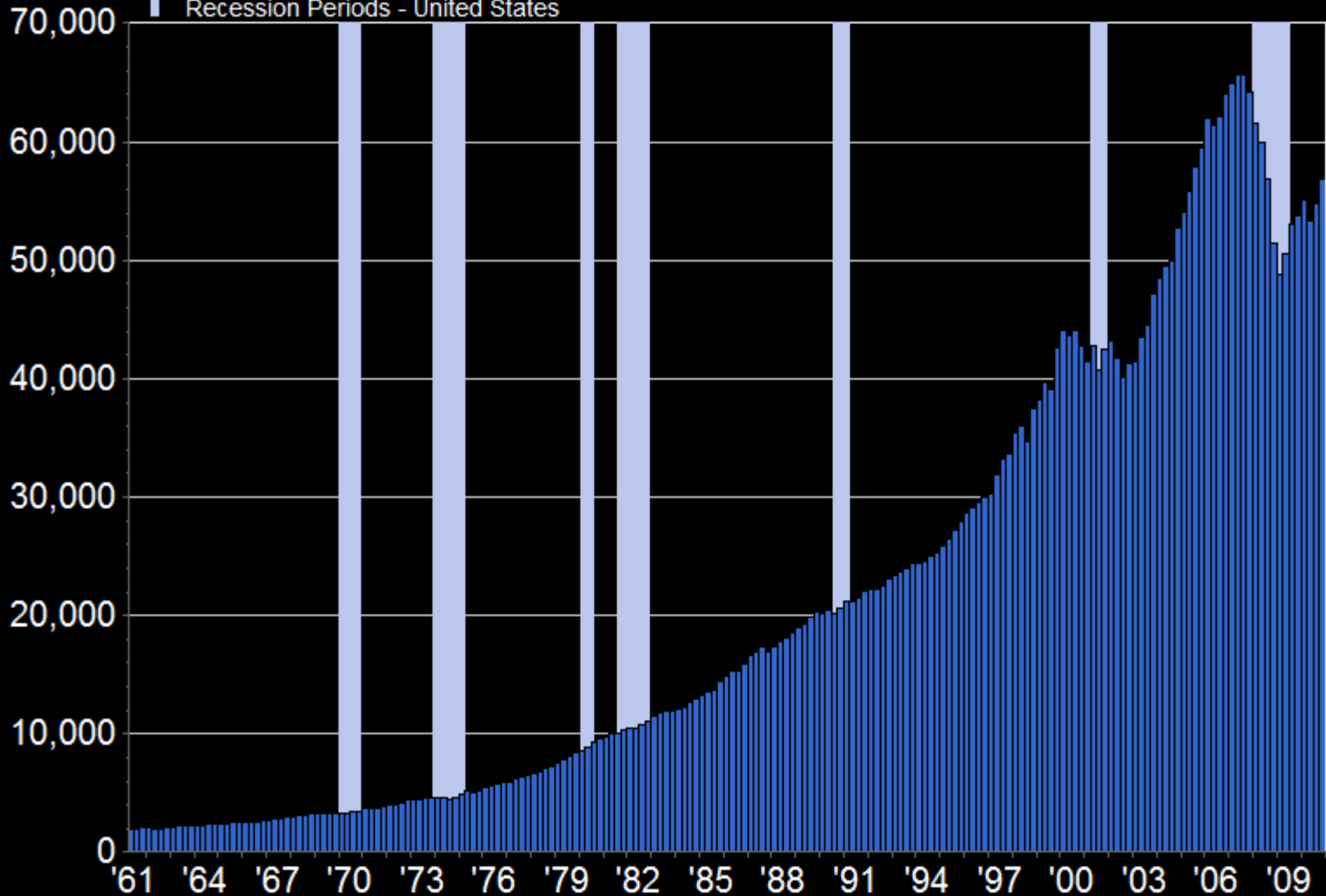


MARKET OUTLOOK

And Personal Balance Sheets Are Mending

U.S. Household Net Worth

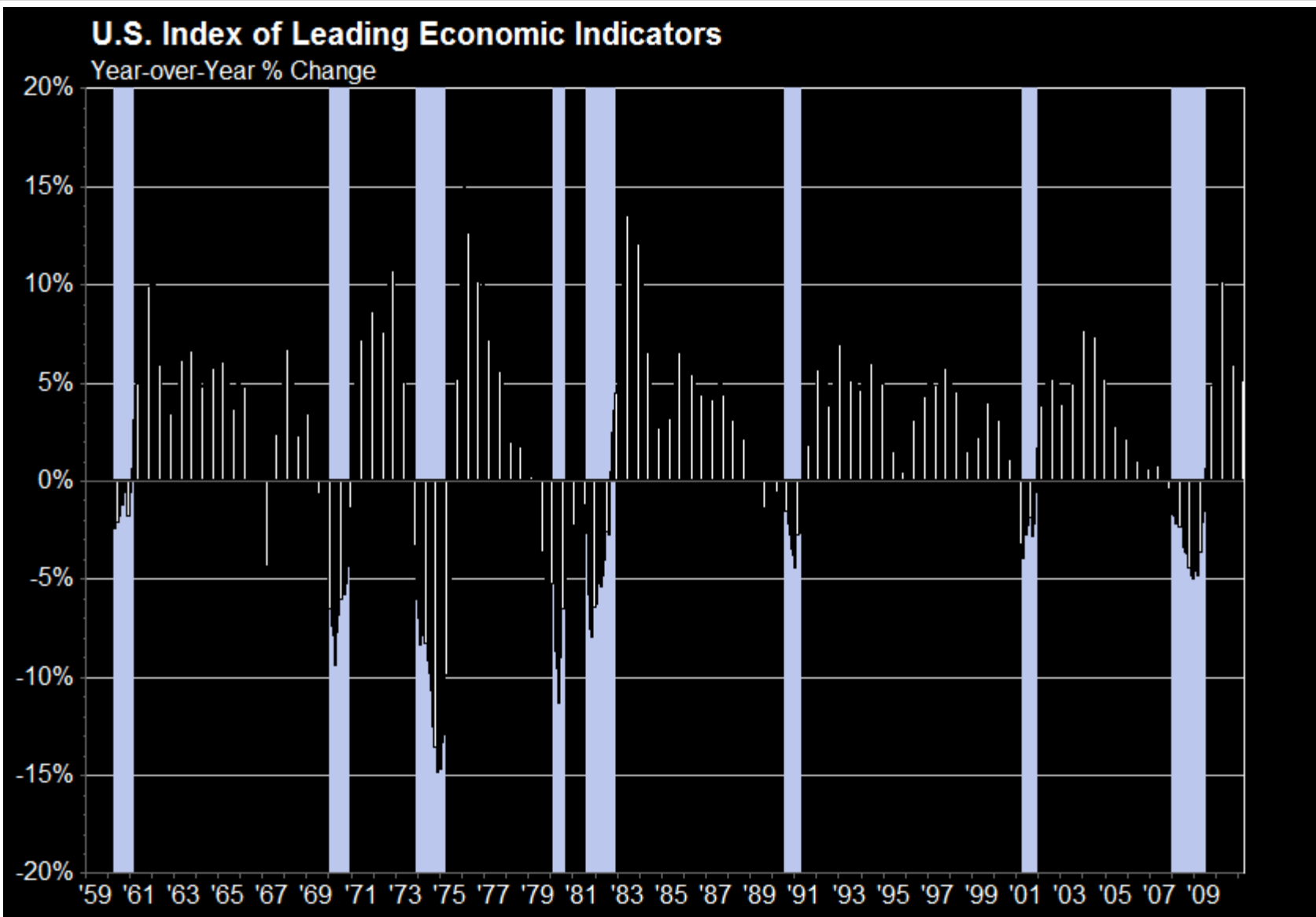
- Balance sheet of households & nonprofit organizations - Net worth, B.100 - United States
- Recession Periods - United States





MARKET OUTLOOK

Economic Growth Should Continue





MARKET OUTLOOK

Bernanke & Co. Projections

Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents, April 2011

Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes on May 18, 2011

Percent

Variable	Central tendency ¹				Range ²			
	2011	2012	2013	Longer run	2011	2012	2013	Longer run
Change in real GDP.	3.1 to 3.3	3.5 to 4.2	3.5 to 4.3	2.5 to 2.8	2.9 to 3.7	2.9 to 4.4	3.0 to 5.0	2.4 to 3.0
January projection.	3.4 to 3.9	3.5 to 4.4	3.7 to 4.6	2.5 to 2.8	3.2 to 4.2	3.4 to 4.5	3.0 to 5.0	2.4 to 3.0
Unemployment rate.	8.4 to 8.7	7.6 to 7.9	6.8 to 7.2	5.2 to 5.6	8.1 to 8.9	7.1 to 8.4	6.0 to 8.4	5.0 to 6.0
January projection.	8.8 to 9.0	7.6 to 8.1	6.8 to 7.2	5.0 to 6.0	8.4 to 9.0	7.2 to 8.4	6.0 to 7.9	5.0 to 6.2
PCE inflation.	2.1 to 2.8	1.2 to 2.0	1.4 to 2.0	1.7 to 2.0	2.0 to 3.6	1.0 to 2.8	1.2 to 2.5	1.5 to 2.0
January projection.	1.3 to 1.7	1.0 to 1.9	1.2 to 2.0	1.6 to 2.0	1.0 to 2.0	0.7 to 2.2	0.6 to 2.0	1.5 to 2.0
Core PCE inflation ³	1.3 to 1.6	1.3 to 1.8	1.4 to 2.0		1.1 to 2.0	1.1 to 2.0	1.2 to 2.0	
January projection.	1.0 to 1.3	1.0 to 1.5	1.2 to 2.0		0.7 to 1.8	0.6 to 2.0	0.6 to 2.0	

Source: Federal Reserve

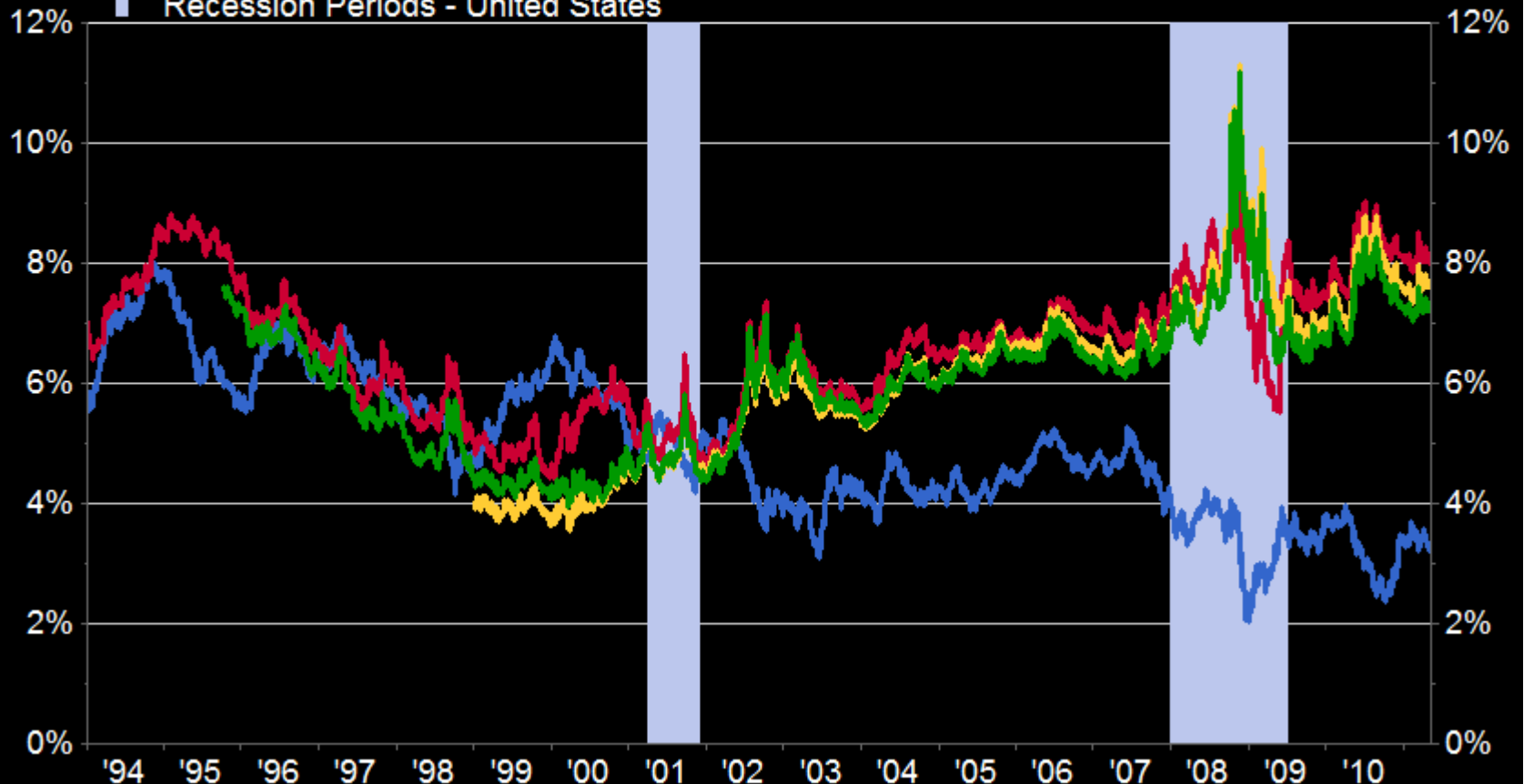


MARKET OUTLOOK

Stocks Look Good Against Treasuries

10-Year Treasury vs. Earnings Yield

- TRYUS10Y - Yield
- 1 / DJ Industrial Average - Price to Earnings Ratio * 100
- 1 / S&P 500 - Price to Earnings Ratio * 100
- 1 / Russell 3000 - Price to Earnings Ratio
- Recession Periods - United States



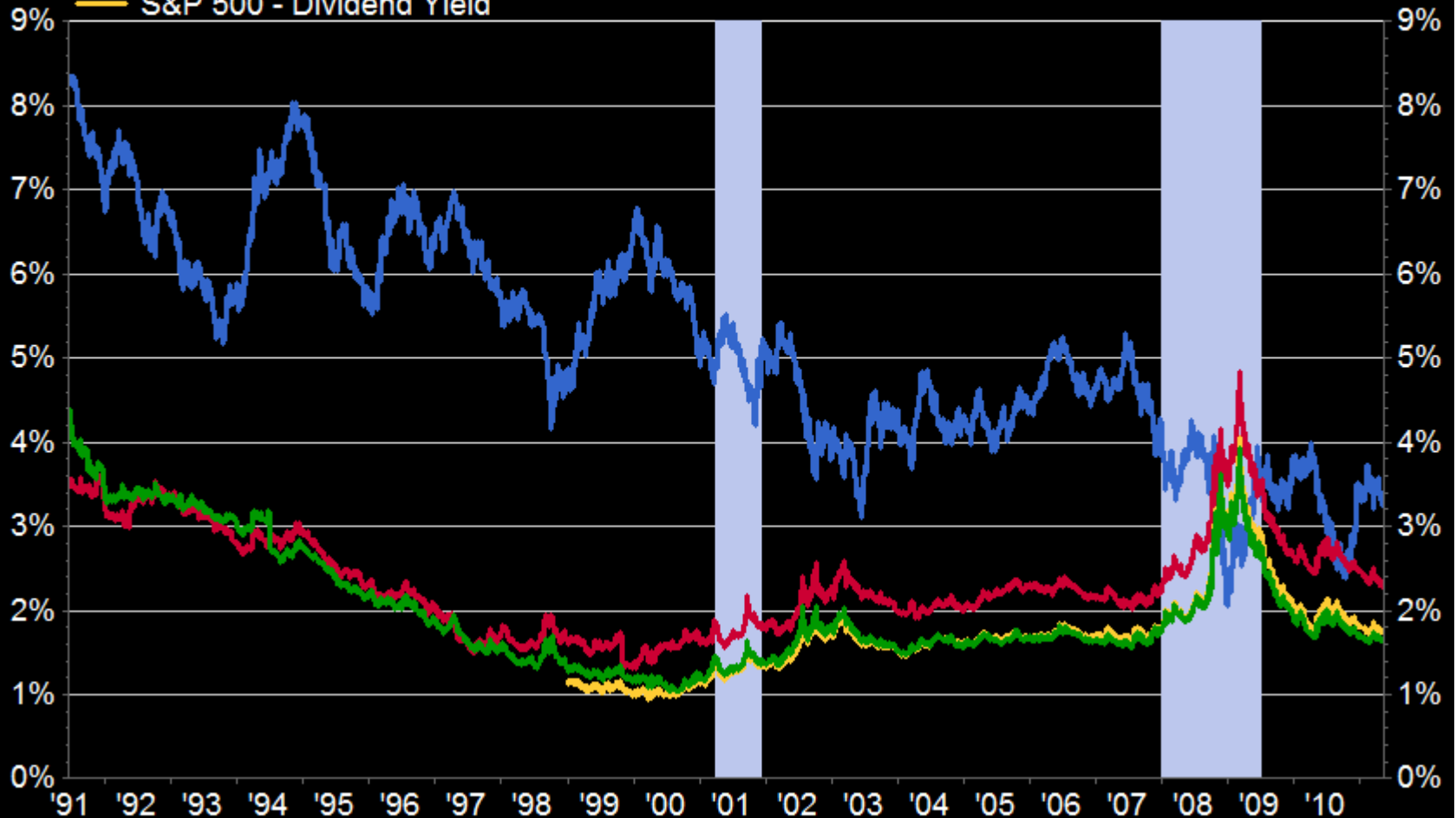


MARKET OUTLOOK

Dividend Payers Are Especially Attractive

10-Year Treasury vs. Dividend Yield

- TRYUS10Y - Yield
- DJ Industrial Average - Dividend Yield
- S&P 500 - Dividend Yield
- Russell 3000 - Dividend Yield
- Recession Periods - United States



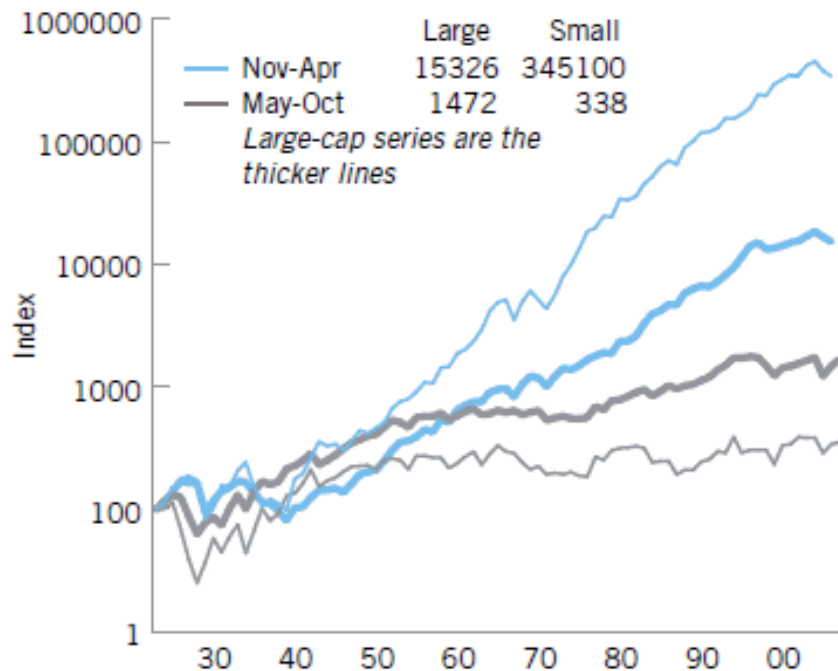


MARKET OUTLOOK

Seasonal Factors Merit Consideration

LONG-TERM SEASONAL PERF

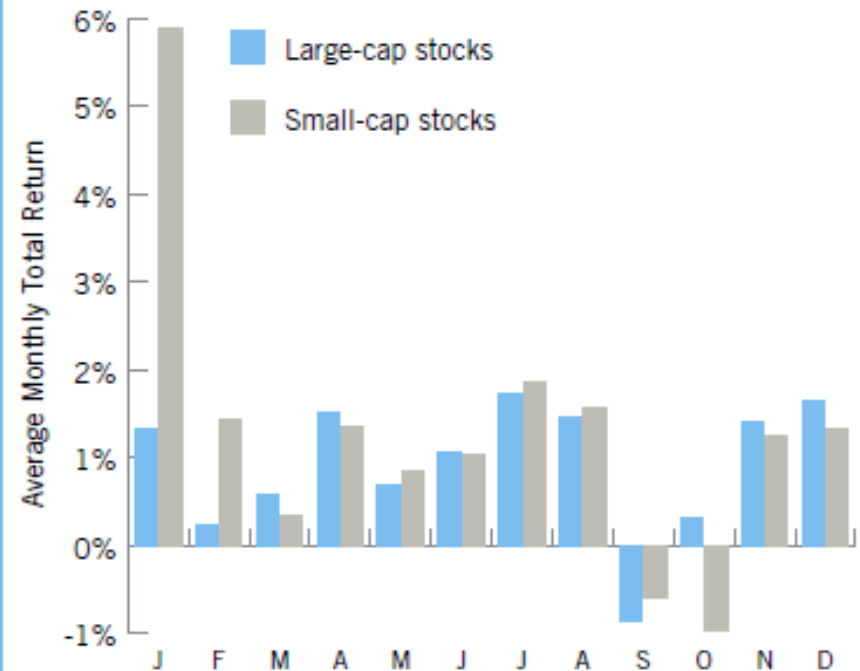
True, this chart seems rather ridiculous, but the numbers don't lie: November-April is the time to be invested.



Logarithmic scale. Indexed to 100 on 12.31.1926. Data through April 2009 for the November-April series and year-end 2009 for May-October series. SOURCE: Al Frank using data from Morningstar

LONG-TERM MONTHLY PERF AVERAGES

This year, both September and October bucked their historical penchant for negativity.



From 1926 through 2009. Arithmetic average. SOURCE: Morningstar



MARKET OUTLOOK

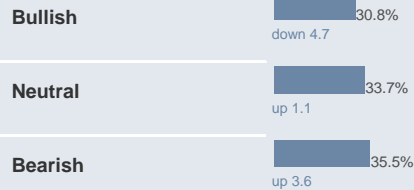
But Investor Sentiment Is Not Worrisome

Sentiment Survey Results as of 5/11/2011

The **AAL Investor Sentiment Survey** measures the percentage of individual investors who are bullish, bearish, and neutral on the stock market for the next six months; individuals are polled from the ranks of the AAL membership on a weekly basis. Only one vote per member is accepted in each weekly voting period.

View Past Results

SENTIMENT SURVEY
RESULTS Week ending 5/11/2011 Data represents what direction members feel the stock market will be in the next 6 months.



Change from last week:

Bullish: **-4.7**
 Neutral: **+1.1**
 Bearish: **+3.6**

Long-Term Average:

Bullish: **39%**
 Neutral: **31%**



Bull Bear Spread From >	To <=	12 Month Subsequent Avg. R3K Tot Ret Perf	Count	Max	Min
-100%	-50%	52.8%	2	71.6%	34.0%
-50%	-40%	28.3%	4	31.4%	23.4%
-40%	-35%	15.5%	8	47.7%	-41.6%
-35%	-30%	11.2%	14	52.5%	-37.4%
-30%	-25%	9.1%	28	59.8%	-46.6%
-25%	-20%	14.2%	33	41.8%	-40.3%
-20%	-15%	12.2%	37	46.4%	-39.5%
-15%	-10%	5.7%	66	48.1%	-43.9%
-10%	-5%	12.9%	89	48.3%	-36.8%
-5%	0%	13.1%	117	51.3%	-37.5%
0%	5%	12.7%	95	47.8%	-43.5%
5%	10%	10.8%	110	54.8%	-37.6%
10%	15%	13.5%	133	41.3%	-40.8%
15%	20%	11.9%	112	38.1%	-36.8%
20%	25%	10.0%	107	39.6%	-31.3%
25%	30%	8.1%	67	38.0%	-40.6%
30%	35%	8.3%	48	34.9%	-25.2%
35%	40%	8.3%	38	30.3%	-27.4%
40%	45%	-0.6%	29	30.1%	-26.4%
45%	50%	-0.2%	19	33.7%	-30.3%
50%	100%	-0.8%	12	23.9%	-25.8%
Average:		10.8%	1168		

Source: AAL – Investor Sentiment Survey, May 11, 2011

Source: Al Frank Using Data from AAL and Morningstar



MARKET OUTLOOK

Fund Investors Aren't Wild About Stocks

Estimated Flows to Long-Term Mutual Funds

Millions of dollars

Investors are not exactly pouring money into U.S. stock mutual funds.

	3/30/2011	4/6/2011	4/13/2011	4/20/2011	4/27/2011
Total Equity	1,246	2,142	835	3,052	-906
Domestic	347	-644	496	1,921	-726
Foreign	899	2,786	340	1,131	-180
Hybrid	1,526	1,236	1,652	1,267	892
Total Bond	3,086	5,212	2,413	2,167	3,013
Taxable	3,548	6,061	3,581	3,320	3,618
Municipal	-462	-849	-1,167	-1,153	-605
Total	5,858	8,590	4,901	6,486	2,999

Source: Investment Company Institute



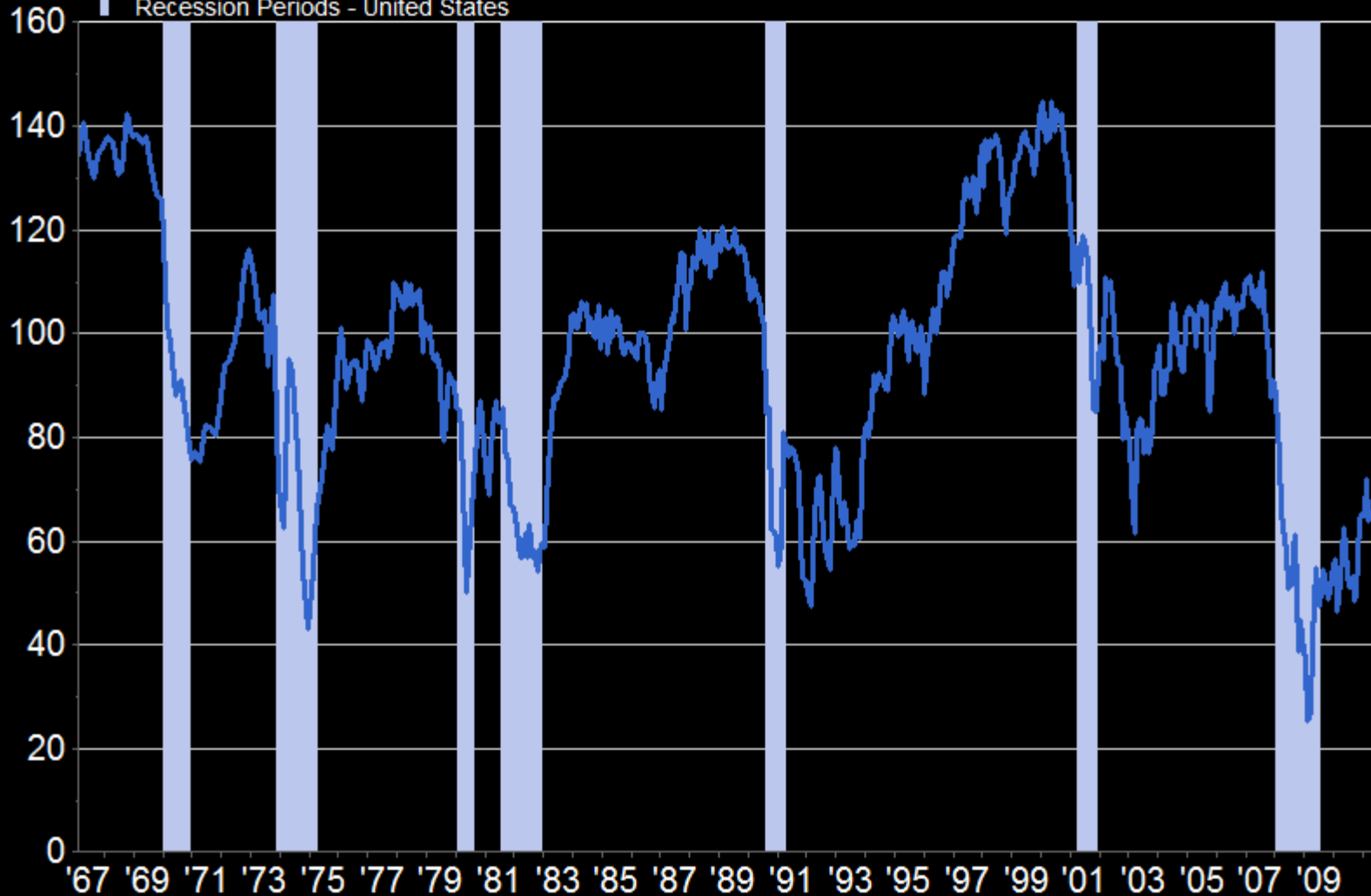
MARKET OUTLOOK

Consumer Sentiment Is Not Frothy

Consumer Confidence

— Composite Series: Index Numbers, 1985=100, Consumer Confidence Index - United States

■ Recession Periods - United States





“If a business does well, the stock eventually follows.”
– *Warren Buffett*



FAVORED STOCKS

Value Stocks Have Outperformed Growth

Performance of Fama-French Value & Growth Stock Series Effect of \$1.00 Invested Year-End 1927 & Annualized Return

FF Small Value	FF Large Value	FF Small Growth	FF Large Growth
\$59,017.27	\$6,384.81	\$1,475.79	\$1,078.18
14.2%	11.1%	9.2%	8.8%

From December 31, 1927 through December 31, 2010,. Hypothetical investment assumes the reinvestment of dividends and capital gains. Past performance does not guarantee future results. SOURCE: 2010 Morningstar *Stocks, Bonds, Bills and Inflation Classic Yearbook* - Pages 102-103. Fama-French uses all stocks traded on the New York Stock Exchange (NYSE) to set both growth/value and small/large breakpoints. They then apply these breakpoints to all stocks traded on the NYSE, NYSE/AMEX and NASDAQ to construct each index. Median market capitalization is the reference point for small/large while book value of equity divided by market capitalization (higher for value, lower for growth) determines the classification category.



FAVORED STOCKS

It's A Market of Stocks

Market-Cap Comparisons

- S&P 500 - Index Total Return Level
- S&P Mid Cap 400 - Index Total Return Level
- Russell 2000 - Index Total Return Level
- Recession Periods - United States





FAVORED STOCKS

Freeport-McMoRan Copper & Gold (FCX)

Freeport-McMoRan Copper & Gold is a major international mining company with assets in North and South America, Indonesia and the Democratic Republic of the Congo (DRC). The company's main products are copper, gold and molybdenum.

	Forward P/E	EV/ EBITDA	Price/Sales	Div. Yield	Debt/ TE	Mkt. CAP
FCX	10.5	5.1	2.3	2.0%	38.0%	48 billion

- Large-Cap Materials name offers way to play longer-term global demand growth in precious metals.
- Company generates strong free cash flow, which it is using to strengthen its balance sheet as well as pay regular quarterly dividends and repurchase shares.
- Management has a generous special dividend policy. Latest announced \$0.50 per share.
- Company's Grasberg mining complex in Indonesia sports the world's largest copper and gold mine recoverable reserves.



FAVORED STOCKS

Marathon Oil (MRO)

Marathon Oil is a mid-sized integrated oil and gas company with business segments in E&P, mining, refining and marketing, and integrated gas. The upstream operations are focused in the US, UK, Norway, West Africa and exploration potential in Asia.

	Forward P/E	EV/ EBITDA	Price/Sales	Div. Yield	Debt/ TE	Mkt. CAP
MRO	8.5	4.5	0.5	2.0%	33%	35.4 billion

- Our favorite diversified way to invest in the long-term global demand growth story in energy.
- Marathon currently has 1.7 billion boe of proved reserves and average production of 408k boe per day. The Refining and Marketing segment has 1 million bpd of throughput capacity spread throughout the Midwest and Gulf Coast U.S.
- We believe the announcement to separate the company in two separate units that focus on E&P and refining will release value from the shares and demand an increased share price premium.
- Company set to further capitalize on oil sands assets as unit costs are expected to materially decrease over the balance of the year.



FAVORED STOCKS

Norfolk Southern (NSC)

Norfolk Southern provides rail transportation service in the eastern U.S., operating over 21,000 miles of route that spans 22 states and Washington D.C. The rail company has an extensive intermodal and coal service network and a significant general freight business, including an automotive business that is the largest in North America.

	Forward P/E	EV/ EBITDA	Price/Sales	Div. Yield	Debt/ TE	Mkt. CAP
NSC	14.9	8.5	2.6	2.2%	62.4%	25.7 Billion

- FedEx, as part of its freight restructuring plan, announced that NSC will be its preferred eastern intermodal carrier.
- NSC is one of the best-run railroads in North America and is posting solid double digit volume growth, which coupled with its inflation-plus pricing and favorable product mix allows it to generate one of the top operating ratios in the industry.
- Company has a strong coal shipping business. Global coal demand appears to be exceeding supply and demand for U.S. coal should remain strong.
- With solid business execution, a good financial footing and strong free cash flow generation, we expect attractive long-term returns.



FAVORED STOCKS

Intel (INTC)

Intel Corporation is the largest semiconductor manufacturer in the world and supplies about 75% of the CPUs used in PCs, workstations and servers. The PC Client group accounts for 73% of total revenues, with the Data Center Group accounting for 20% of revenues.

	Forward P/E	EV/ EBITDA	Price/Sales	Div. Yield	Debt/ TE	Mkt. CAP
INTC	10.4	4.7	2.7	3.1%	4.5%	128.5 billion

- Company's strong competitive position includes a material lead in process manufacturing, which is key to preserving margins during pricing wars.
- Company has a fortress-like balance sheet which sports low debt levels. Also has strong free-cash-flow generation that can be used in shareholder friendly activities (such as the 15% dividend increase at the end of 2010).
- During Q1, Intel significantly outperformed the global PC market on strength of new higher-priced products and channel inventory replenishments.
- Appealing longer-term potential of acquisitions of McAfee and Infineon.
- Despite the recent stock rally, Intel's dividend is among the highest in the tech sector.



FAVORED STOCKS

Whirlpool (WHR)

Whirlpool is the world's largest manufacturer of major home appliances. Brands include Whirlpool®, Maytag, KitchenAid®, Jenn-Air, Amana, Brastemp, Consul and Bauknecht. WHR has manufacturing facilities in 12 countries. In 2010, North America represented about 53% of sales, Europe: 17%, Latin America: 26% and Asia: 4%.

	Forward P/E	EV/ EBITDA	Price/Sales	Div. Yield	Debt/ TE	Mkt. CAP
WHR	7.1	5.2	0.4	2.4%	56%	6.4 billion

- Increased international presence, especially in rapidly growing emerging markets, is the key driver of future top and bottom-line growth.
- International sales currently account for 47% of total revenue and are projected to quickly surpass 60%.
- Company continues to demonstrate its ability to repeatedly introduce innovative, premium-priced products.
- Recently, the company's improving balance sheet and strong free cash flow generation allowed management to increase the dividend by more than 16%.



FAVORED STOCKS

United Online (UNTD)

United Online provides consumer products and services over the Internet. The company operates in three distinct segments, which include the FTD Group floral and specialty gift products (60%), Content and Media social networking destination sites (22%) and Communications Internet access services (18%).

	Forward P/E	EV/ EBITDA	Price/Sales	Div. Yield	Debt/ TE	Mkt. CAP
UNTD	7.5	3.9	0.6	6.3%	56.8%	.56 Billion

- Company has appealing cash flows that allow it to pay a \$0.10 per share quarterly dividend.
- Continues to make meaningful strides in strengthening the balance sheet, as debt has been reduced by more than 20% since late 2009 while maintaining the generous dividend and investing in the businesses.
- Company has more than \$106 million in cash and equivalents.
- In February, company revamped struggling classmates.com to Memory Lane which focuses on digitized yearbooks. Early data shows visitors spend 3x as long on the new site and conversion into paying subscribers is promising.



Diverse All-Cap Value Solutions

About AFAM's Value Division:

Founded in 1977, Al Frank Asset Management, Inc. is an independent, privately held, registered investment advisor. We exercise diligence and prudence in applying our value-based investment philosophy to work toward the investment goals and objectives of our clients. Our all cap value approach provides the flexibility to seek the most attractive US equity market investments while simultaneously managing risk for long-term investors. We also serve as the Editor of *The Prudent Speculator*, a top-ranked investment newsletter in terms of total return performance (not adjusted for risk) according to *The Hulbert Financial Digest*.

Investment Style:

All Cap Value

Objective:

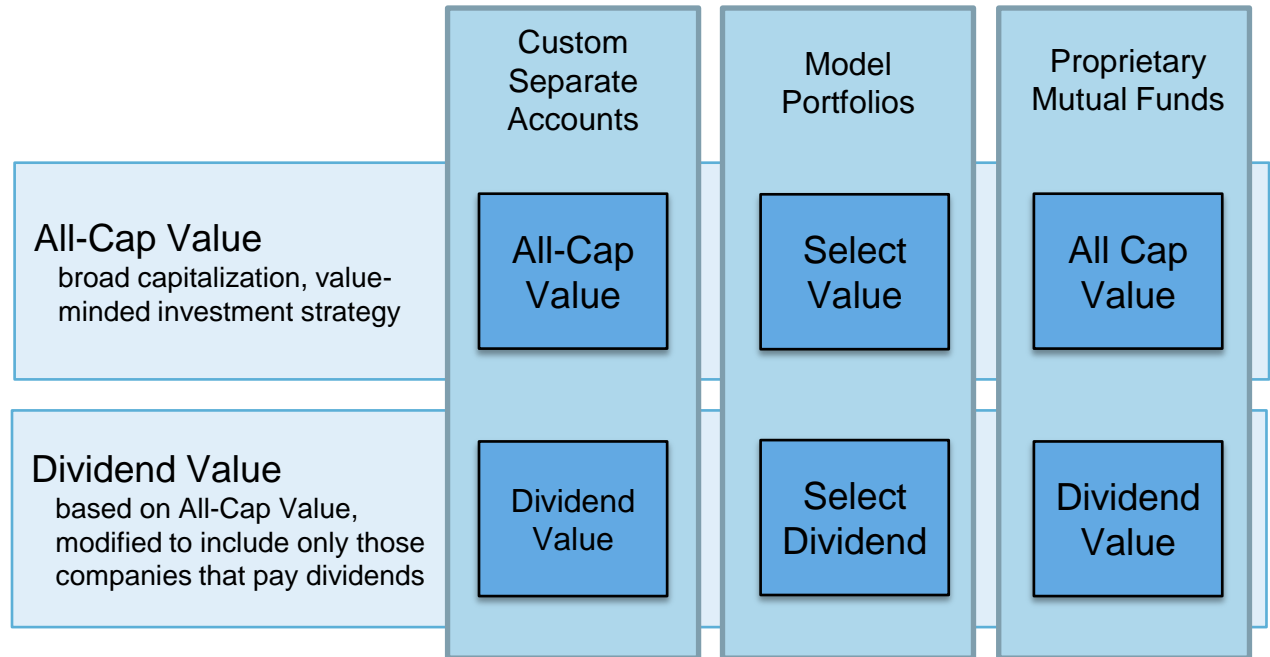
Long-term Growth of Capital

Benchmark

Russell 3000

Leadership

Jeff Montgomery, CEO
John Buckingham, CIO





Al Frank Asset Management, Inc. (AFAM) is an Investment Advisor, registered with the Securities & Exchange Commission and notice filed in the State of California and various other states, edits The Prudent Speculator and the weekly Market Commentary and is advisor to two proprietary mutual funds. Innealta Capital is a division of AFAM.

Nothing presented herein is, or is intended to constitute, specific investment advice or marketing material. Information provided reflects the views of Al Frank Asset Management (AFAM) as of a particular time. Such views are subject to change at any point and AFAM shall not be obligated to provide notice of any change. Any securities information regarding holdings, allocations and other characteristics are presented to illustrate examples of the types of investments or allocations that AFAM may have bought or pursued as of a particular date. It may not be representative of any current or future investments or allocations and nothing should be construed as a recommendation to follow any investment strategy or allocation. Any forward looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While AFAM has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in securities. Past performance is not a guarantee of future performance.

Many of the securities contained within this newsletter mentioned are analyzed, recommended and transacted in by AFAM and/or its associated persons for client and personal accounts. It is also possible that AFAM and/or its associated persons may take a position in a security that is inconsistent with the recommendations provided in TPS or may purchase securities not mentioned in TPS without notice to its subscribers.



Past specific recommendations: Investment recommendations provided herein are subject to change at any time. Past and current recommendations that are profitable are not indicative of future results, which may in fact result in a loss. See prudent-speculator.com or contact AFAM at tps@alfrank.com for a list of all past specific investment recommendations. Performance and characteristics of AFAM portfolios and securities are subject to risks and uncertainties. The stocks selected for listing and discussion in the newsletter were based on proprietary analytical work performed by AFAM, and not based on performance, meaning that they are chosen irrespective of profits or losses. The securities presented do not represent all of the securities bought, sold or recommended.

Information provided comes from independent sources believed reliable, but accuracy is not guaranteed and has not been independently verified. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. Past performance is not a guarantee of future results. Therefore, you should not assume that the future performance of any specific investment or investment strategy will be profitable or will be equal to corresponding past performance levels. Neither the information contained in this presentation, nor any opinion expressed, shall be construed to be or constitute an offer to sell or a solicitation of an offer to buy any securities.

The Hulbert Financial Digest performance results are calculated by undisclosed methods of the publication's editor. Its rankings are based on an average of its several portfolios (and includes discontinued portfolios).



The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The Standard & Poor's 500 Stock Index is generally representative of the U.S. Stock Market, without regard to company size.

The S&P Mid Cap 400 provides investors with a benchmark for mid-sized companies. The index covers over 7% of the U.S. equity market, and seeks to remain an accurate measure of mid-sized companies, reflecting the risk and return characteristics of the broader mid-cap universe on an on-going basis.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Dow Jones Industrial Average serves as a measure of the entire U.S. market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods.

It is not possible to invest directly in an index.

Investment recommendations are subject to change and may result in a loss.