



Empowering Investors Using Proven Quantitative Strategies

Model portfolios, stock analysis and idea generation tools using the time-tested strategies of great investors, including Buffett, Lynch and Graham.

Validea's Stock Research suite is a web-based investment research tool that analyzes stocks using a series of systematic, fundamentally-oriented investing models that are based on the strategies of Wall Street legends. The service consists of 22 "guru"-inspired models and time-tested investment strategies that are used in individual stock analysis, new investment idea generation, model portfolios, trade alerts, stock ratings and more.

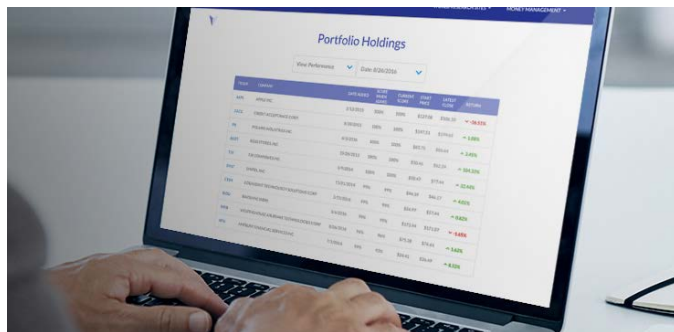
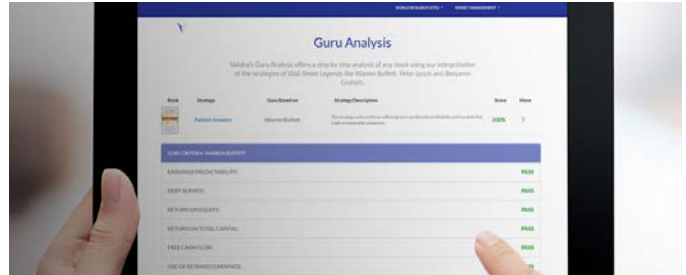
All of Validea models were selected based on their track records of long-term market outperformance. The "guru" models are all fundamental-based strategies that utilize financial, valuation, and price-based criteria to analyze stocks. The models will select small-, mid- and large-cap stocks and their styles, while primarily value-based, also incorporate aspects of growth, momentum, and income stock-selection approaches. The models, which are outlined in detail below, are based on the stock-picking approaches of well-known investors such as Warren Buffett, Ben Graham, Martin Zweig, John Neff and many others. They sit at the foundation of our investing system. Stocks in the investment universe are filtered through each "guru" model and obtain a final score (on a scale of 0% to 100%) based on how closely they match each model's strict selection criteria and factor scoring.

This product paper was developed to help give investors a more thorough understanding of both the tools and research available on Validea and the strategies that sit at the heart of our investing system. Below the product overview you will find a summary of the stock selection methodologies captured on Validea, the book or academic paper utilized in extracting the specific methodology, and an outline of the most important fundamental factors utilized in each model.

Product/Feature Overview

Guru Analysis

Validea's Guru Analysis offers a step by step fundamental analysis of any stock using our interpretation of the strategies of Wall Street Legends like Warren Buffett, Peter Lynch and Benjamin Graham. Users can analyze over 6,000 stocks across 12 distinct models to see why a stock passes or fails a particular methodology. Strategies consist of as few as two factors to upwards of 20. To view a detailed strategy overview, see the below. Scores are rendered daily based on previous day pricing and most current fundamentals.



Stock Screener

Screen for stocks passing the proven strategies of Wall Street Legends like Warren Buffett, Peter Lynch and Benjamin Graham. The screening application also allows for strategies to be combined (i.e. different models to seek stocks that score highly by more than one approach) and allows for users to add in their own fundamental filters to further refine the list of investment ideas.

Model Portfolios (Guru, Consensus, Country, Industry Portfolios)

We've developed portfolios based on the investment strategies of history's most successful stock pickers, including Peter Lynch, Warren Buffett, Benjamin Graham, Martin Zweig, Ken Fisher and Joel Greenblatt. Validea's industry and country portfolios contain the highest scoring stocks according to our system in each industry or country/region.

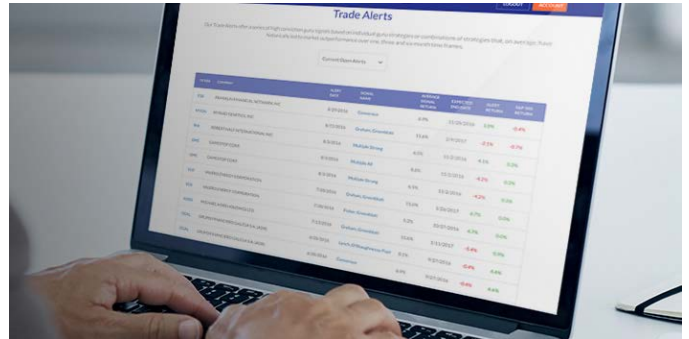
Users have the ability to view 10 and 20 stock model portfolios that are changed monthly, quarterly or annually. Changes are made on set dates, making the portfolios changes easy to view and follow. Each portfolio contains the historical and year-by-year performance record, a full set of historical holdings, portfolio positions and changes.

In addition to the guru-centric model portfolios, there are two consensus-based models and a number of country and industry based portfolios consisting of the stocks that get the highest scores from multiple strategies simultaneously.



Trade Alerts

Trade Alerts offer a series of high conviction guru signals based on individual guru strategies or combinations of strategies that, on average, have historically led to market outperformance over one, three and six month time frames. When a new trade alert is open or an existing trade alert is closed, users receive immediate notification of it.



And More ...

- Guru Stock reports with Buy-Sell ratings.
- Real-time email alerting system on stock, strategy and portfolio changes.
- Trend Following system on various asset and investment classes.
- Valuation metrics on overall market and segments of the market using widely followed ratios.
- The Validea Hot List newsletter, which discusses a wide range of investing topics.
- Individual equity Upgrades and Downgrades based on the guru strategies.

Pricing / Feature Matrix:

	Basic			Professional		
	\$29.95/mo	\$74.95/3mo	\$269.95/yr	\$99.95/mo	\$269.95/3mo	\$889.95/yr
Price						
A - Guru Analysis		✓			✓	
B - Guru Stock Screener		✓			✓	
C - Validea Hot List Newsletter & Email Alerts		✓			✓	
D - Guru Model Portfolios (inc. Consensus portfolios)		✓			✓	
E - High Conviction Trade Alerts					✓	
F - Country & Industry Portfolios					✓	
G - Guru Stock Reports & Enhanced Email Alerts					✓	

Bringing It All Together In One Tool

Validea's Stock Research suite offers professionals a unique set of stock analysis and investment idea generation tools based on proven fundamental strategies of investing greats. Some professionals may utilize the tools as a way to validate a new or existing investment from a fundamental standpoint, while others may seek out new investment ideas using the stock screener, model portfolio or high conviction trade alerts. For investors who believe fundamentals matter, who admire great investors like Buffett and Lynch and who are looking for a competitive and differentiating edge in today's market, Validea could be an excellent investment research add-on.



Validea.com Quantitative Guru Model Matrix

A breakdown of what models are included in Validea Standard & Validea Professional

Model Name	Guru	Source (book or academic paper)	Standard	Pro
Patient Investor	Warren Buffett	<i>Buffettology</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Value Investor	Benjamin Graham	<i>The Intelligent Investor</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
P/E/Growth Investor	Peter Lynch	<i>One Up on Wall Street</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Price/Sales Investor	Ken Fisher	<i>Super Stocks</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Growth Investor	Martin Zweig	<i>Winning on Wall Street</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Earnings Yield Investor	Joel Greenblatt	<i>The Little Book that Beats the Market</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Growth/Value Investor	James O'Shaughnessy	<i>What Works on Wall Street (1st Ed)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Low P/E Investor	John Neff	<i>John Neff on Investing</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Contrarian Investor	David Dreman	<i>Contrarian Investment Strategies</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Small Cap Growth Investor	The Motley Fool	<i>The Motley Fool Investment Guide</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Book/Market Investor	Joseph Piotroski	<i>Value Investing: The Use Of Historical Financial Statement Information</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Momentum Investor	Validea	<i>Validea Internal</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
P/B Growth Investor	Partha Mohanram	<i>Separating Winners from Losers among Low Book-to-Market Stocks</i>		<input checked="" type="checkbox"/>
Multi-Factor Investor	Pim van Vliet	<i>The Conservative Formula</i>		<input checked="" type="checkbox"/>
Quant Momentum Investor	Wesley Gray	<i>Quantitative Momentum</i>		<input checked="" type="checkbox"/>
Acquirer's Multiple Investor	Tobias Carlisle	<i>The Acquirer's Multiple</i>		<input checked="" type="checkbox"/>
Earnings Revision Investor	Wayne Thorp	<i>How to Profit From Revisions in Analysts' Earnings Estimates</i>		<input checked="" type="checkbox"/>
Millennial Investor	Patrick O'Shaughnessy	<i>Millennial Money</i>		<input checked="" type="checkbox"/>
Twin Momentum Investor	Dashan Huang	<i>Twin Momentum: Fundamental Trends Matter</i>		<input checked="" type="checkbox"/>
Shareholder Yield Investor	Meb Faber	<i>Shareholder Yield</i>		<input checked="" type="checkbox"/>
Value Composite Investor	James O'Shaughnessy	<i>What Works on Wall Street (4th Ed)</i>		<input checked="" type="checkbox"/>
Private Equity Investor	Validea	<i>Leveraged Small Value Equities</i>		<input checked="" type="checkbox"/>