

# Create Your Own Model Shadow Stock Portfolio

If you haven't visited AAI.com recently, please take some time today to see what the website offers. Plenty of helpful resources are available at your fingertips to aid you in the investment process.

For over 20 years, the AAI Model Shadow Stock Portfolio has reflected the investment philosophy of AAI founder James Cloonan. In short, the philosophy holds that the best stocks for individual investors are not the same stocks that are best for institutions, the best returns come from giving consideration to risk, and success comes from more concern for the overall portfolio than for individual stocks.

The Model Shadow Stock Portfolio focuses on micro-cap stocks that have outperformed companies with larger market capitalizations. With quarterly maintenance, this model portfolio has performed better than the market over the long term.

AAI.com provides the basic guidelines that Cloonan follows so that you can create your own Shadow Stock Portfolio, but it also shows Cloonan's actual holdings. The Model Shadow Stock Portfolio has generated a return of 26.9% over the last 12 months as of July 31, 2017.

**Actual Portfolio**  
The following companies represent the Shadow Stock Portfolio. The portfolio below is a real portfolio with real dollars invested and AAI updates the portfolio actions (based on our [investment rules](#)) on a quarterly basis.

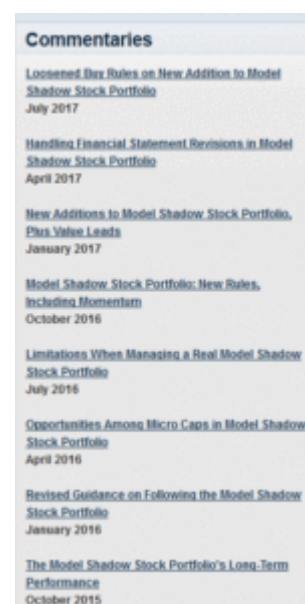
**Shadow Stock Holdings and Notes as of 6/30/2017**  
Data delayed 15 min.

Company (Ticker)	Current Price (\$)	52-Week High (\$)	52-Week Low (\$)	Market-Cap Size (\$ mil)	Price-Earnings Ratio (X)	Price-to-Book Ratio (X)	Mid Price Range (%)	Notes
Alamo Group Inc. (ALG)	92.12	95.62	58.30	1071.2	24.2	2.53	80	RECENTLY SUBV. INT.
A V Homes Inc. (AVH)	15.20	20.50	13.52	341.3	12.0	0.75	34	
Beazer Homes USA Inc. (BZH)	15.89	16.26	9.67	532.9	not**	0.82	72	
CPI Aerostructures Inc. (CPI)	8.96	10.15	5.58	79.1	11.3	1.14	61	
CBS Industries Inc. (CBS)	26.50	29.19	23.16	241.0	9.9	0.84	66	
Ducommun Incorporated (DCI)	28.77	35.58	18.70	325.7	23.9	1.49	41	
Enns Inc. (ENN)	19.38	19.85	14.40	484.8	18.6	1.93	76	
Fletcher Industries Inc. (FLI)	55.01	62.99	39.96	429.9	18.3	1.91	67	
Global Power Equipment Group Inc. (GPE) ***	NA	NA	NA	NA	not	not	not	
Helacor Energy Company (HEC)	6.39	10.40	5.19	188.5	14.4	0.94	17	
Hardings Inc. (HND)	13.95	14.85	8.24	193.6	67.6	1.09	91	
Hodder Furniture Corporation (HFC)	42.80	46.60	22.36	495.9	18.0	2.46	59	

Figure 1. Actual Model Shadow Stock Portfolio

Once on the AAI.com website, select the Model Portfolios tab on the center-top, then click on the red "Stock Portfolio" button. This will take you to the actual portfolio (Figure 1). The portfolio page displays current market price and market capitalization along with a few financial ratios and notes.

Beneath the current portfolio list is a list of Passing Companies. This list, updated once a month, shows all the stocks that currently meet the initial purchase criteria and can be used as a starting point when constructing your own Shadow Stock Portfolio.



*Figure 2. Jim Cloonan's Notes*

On the upper right side of the Model Shadow Stock Portfolio page, you'll find the user's guide, selection rules and FAQs, which are essential reading whether you are building your own portfolio or using the Model Shadow Stock Portfolio as a starting point.

Members can also direct questions and comments to the Model Portfolio Discussion board, linked on the right side of the Model Shadow Stock Portfolio page.

Additionally, James Cloonan's commentary on the Model Shadow Stock Portfolio every quarter is posted on the webpage, with a review of portfolio performance, buy and sell decisions and notes on the management of the Model Shadow Stock Portfolio (Figure 2).

To keep current on the Model Shadow Stock Portfolio, be sure to sign up for the AAI Model Portfolios Update. This monthly email gives you an update on performance and alerts you to any portfolio changes. It's free with your membership. Visit [www.aai.com/my-account/epc](http://www.aai.com/my-account/epc) to start receiving this email.

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*email address and set up a new password, you will not be able to access the members-only areas of AAI.com. To update your online credentials, go to [www.aai.com](http://www.aai.com) and click on Member Login in the upper right corner. The first time you log in using a different computer system, you will be prompted to enter your new credentials. Thanks for your cooperation.*