

Cupid Rallies to the Cause



Despite a loveless January, romance and stocks bloomed in February. The S&P 500 index's total return was 5.8% for the month. The market love was fairly egalitarian in February, as most of the performance of indexes and portfolios was around the 6.0% level.

The Model Fund Portfolio gained 5.2% in February, while the Model Shadow Stock Portfolio, which invests in micro-cap value stocks, gained 5.6% last month.

The Model Shadow Stock Portfolio's 5.6% increase for the month slightly trailed both of its comparison benchmarks: The Vanguard Small Cap Index (NAESX) gained 5.8% and the DFA US Micro Cap Index fund (DFSCX) gained 6.0% in February. Year to date, the Shadow Stock Portfolio has returned 1.0% while the NAESX has returned 3.5% and the DFSCX has returned 0.8%. Since its inception in 1993, the Model Shadow Stock Portfolio has a compound annual return of 16.8%, while the Vanguard Total Stock Market Index fund (VTSMX) has gained 9.5% annually over the same period.

The Model Fund Portfolio's 5.2% increase in February compared to a 5.8% increase for the Vanguard Total Stock Market Index fund. Since its inception in June of 2003, the Model Fund Portfolio has a compound annual return of 9.4%, slightly underperforming the Vanguard Total Stock Market Index fund over the same time period, which returned 9.6%.

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