

BOGSX - Dangerous Rating



Oak Associates Funds: Black Oak Emerging Technology Fund

★★☆☆☆	Predictive Rating	Dangerous
★★☆☆☆	Portfolio Management	Dangerous
★★★☆☆	Total Annual Costs	Neutral

- Predictive Ratings enable smarter investing by assessing the key drivers of fund performance.
- Stock-picking (Portfolio Management) and fund expenses (Total Annual Costs) drive investment performance.

Investment Recommendation

- We recommend investors avoid BOGSX. We recommend its ETF benchmark QQQ.
- Despite strong past performance, we expect the fund to underperform the market.
- BOGSX's Portfolio Management rating does not justify its high Total Annual Costs.

Fund Rankings

- 33rd percentile of the 4700+ equity funds we cover.
- 65 out of 84 Information Technology funds.
- All 26 ETFs in the same category rank better.

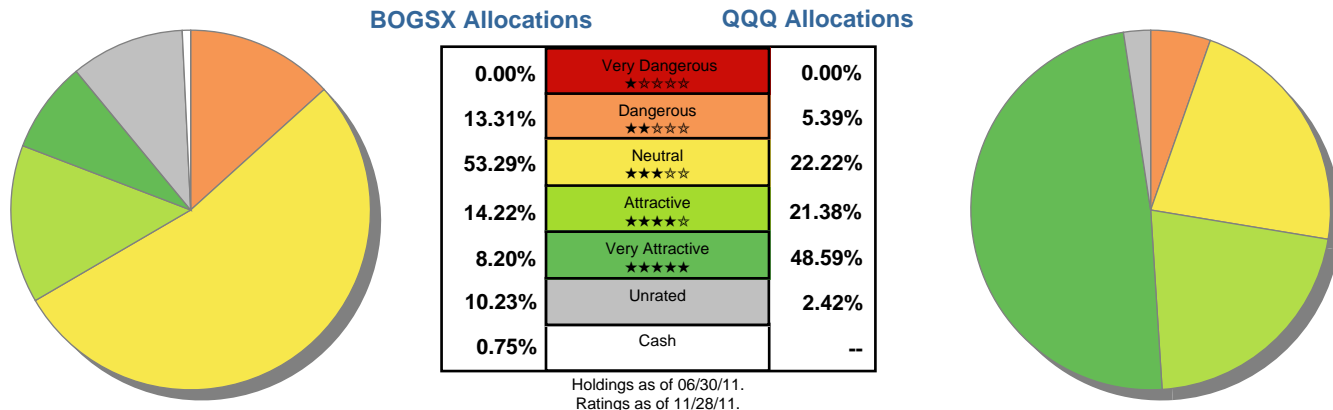
Portfolio Management Rating Details

- BOGSX receives our Dangerous rating because it overweights Dangerous-or-worse-rated stocks.
- QQQ, BOGSX's benchmark, receives our Attractive rating and holds better stocks than the fund.
- Our fund analytics are based on aggregating our models and ratings for each fund's holdings
- Our [top-ranked](#) stock ratings leverage key data from the financial footnotes for unrivaled research quality.

Portfolio Management Rating Breakdown

Business Strength		
★★★★☆	Quality of Earnings	Attractive
★★★★★	Return on Invested Capital (ROIC)	47.89%
Valuation		
★★★☆☆	Free Cash Flow Yield	-0.68%
★☆☆☆☆	Price to Economic Book Value	4.72
★☆☆☆☆	Market-Implied Duration of Growth	50 years
Fund Asset Allocation		
★★★★★	Cash Allocation	0.75% cash

Allocation Details: Fund vs Benchmark - PowerShares QQQ (QQQ)



Active Management Commentary

- BOGSX allocates 13.31% of its value to Dangerous-or-worse-rated stocks while QQQ allocates 5.39%.
- BOGSX allocates 22.42% of its value to Attractive-or-better-rated stocks while QQQ allocates 69.98%.
- Investors should expect funds with higher Total Annual Costs to allocate more value to Attractive and Very Attractive Stocks and less to Dangerous and Very Dangerous stocks than alternative funds with lower costs.
- Active portfolio management of BOGSX does not add value versus its ETF benchmark QQQ.

Return - Annual

Year to Date	-12.42%
1 Year	-10.67%
3 Year	22.72%
5 Year	3.47%
Inception	-11.36%

Top 5 Holdings

Cerner Corp
VMware Inc
Cognizant Technology Solutions Corp
Mercadolibre Inc
Illumina Inc

Key Mutual Fund Statistics

CERN	Net Assets(mm)	\$29.00	Category	Information Technology
VMW	NAV	\$2.68	Mgmt Co	Oak Associates Ltd
CTSH	Benchmark	QQQ	Manager	Robert D. Stimpson
MELI	# of Holdings	29	Tenure	2001
ILMN	Initial Minimum	\$2,000.00	Inception	12/29/00

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
★★★☆☆	1.95%	49.52%	27 of 84

This rating reflects all expenses, loads, fees, and transaction costs in a single value that is comparable across all funds.

Reported Costs vs Benchmark: as of 03/01/11

	BOGSX	Benchmark: QQQ
Front-End Load	0.00%	--
Expense Ratio	1.35%	0.20%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--

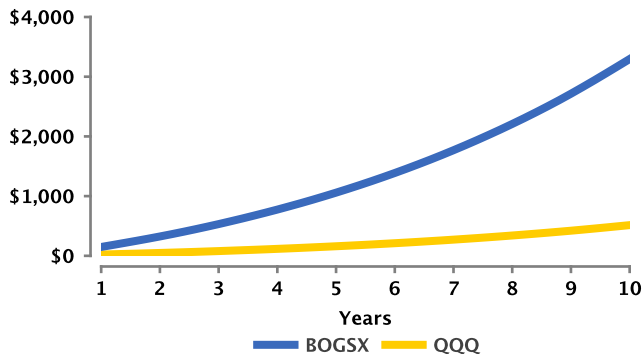
Total Annual Costs Breakdown

All Cost Types	Annualized Values	
	BOGSX	Benchmark: QQQ
Front-End Load	0.00%	--
Expense Ratio	1.51%	0.22%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	0.45%	--
Total Annual Costs	1.95%	0.22%

- To justify its higher Total Annual Costs, BOGSX must outperform its ETF benchmark by 1.79% annually over 3 years or 1.79% annually over 10 years.
- This analysis assumes a 3-year holding period, the average for all funds.
- Transaction costs are estimated using the fund's annual portfolio turnover ratio of 99%.

Accumulated Total Costs vs Benchmark

Accumulated Total Costs represent the dollar value of costs investors incur during a 10-yr holding period. Assumes a \$10,000 investment and a 10% annual return for the fund and its benchmark.



- 3-year Accumulated Total Costs are \$531.81 for BOGSX and \$79.70 for QQQ. 10-year Accumulated Total Costs are \$3,296.31 for BOGSX and \$514.10 for QQQ.

Overview of Our Predictive Mutual Fund Rating System

Our mutual fund research aggregates results from our Company Models for each of the companies held by a mutual fund. Our rigorous bottom-up analysis of 3000+ companies allows us to perform the same in-depth analysis on 4000+ mutual funds. Our analysis also considers mutual fund policies that reduce investors' long-term returns such as total annual costs and cash allocation.

Our fund rating system assesses the core drivers of future performance to provide a predictive rating. Below are details:

Portfolio Management – quality of stocks held by the fund according to

- Business Strength:** the quality of the [economic earnings](#) of the company and the strength of its business model based its ROIC.
 - [Quality of Earnings](#) measures how reported accounting income compares to the economic earnings of the stocks in the fund.
 - [Return on Invested Capital \(ROIC\)](#) measures the aggregate cash on cash returns of all stocks in the fund.
- Valuation:** measuring expectations embedded in stock prices. Investors should [buy stocks/funds with low expectations](#).
 - [Free Cash Flow Yield](#) measures the true cash yield of the companies held by the fund.
 - [Price to Economic Book Value](#) measures the growth expectations embedded in the prices of the stocks in the fund.
 - [Market-Implied Duration of Growth \(Growth Appreciation Period\)](#) measures the number of years of future profit growth required to justify the current valuation of the stocks in the fund.
- Asset Allocation:** this rating assumes that equity mutual fund investors expect nearly 100% equity exposure because they can invest in cash directly and without fees on their own.
 - [Cash Allocation](#) measures the percent of the fund's assets allocated to cash.

Total Annual Costs

- [Total Annual Costs](#) captures all expenses, loads, fees, and transaction costs in a single metric that is comparable across all funds.

Predictive Risk/Reward Rating	Business Strength		Valuation			Cash Allocation	Total Annual Costs
	Quality of Earnings	Return on Invested Capital	FCF Yield	Price to Econ Book Value	Mkt-Imp Duration of Growth		
Very Dangerous ☆☆☆☆	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50	> 20%	> 4%
Dangerous ☆☆☆☆	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50	8% < 20%	2% < 4%
Neutral ☆☆☆☆	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20	2.5% < 8%	1% < 2%
Attractive ☆☆☆☆	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10	1% < 2.5%	0.5% < 1%
Very Attractive ☆☆☆☆	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3	< 1%	< 0.5%

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Incorporated in July 2002, [New Constructs](#) is an independent publisher of investment research that provides clients with consulting, advisory and research services. We specialize in quality-of-earnings, forensic accounting and discounted cash flow valuation analyses for all U.S. public companies.

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1. Based on the complete set of financial information available.
2. Standard for all companies.
3. A more accurate representation of the true underlying cash flows of the business.

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