

### RCKSX - Neutral Rating



### Oak Associates Funds: Rock Oak Core Growth Fund



**Predictive Rating**

Neutral

• Predictive Ratings enable smarter investing by assessing the key drivers of fund performance.



**Portfolio Management**

Neutral

• Stock-picking (Portfolio Management) and fund expenses (Total Annual Costs) drive investment performance.



**Total Annual Costs**

Neutral

#### Investment Recommendation

- We do not recommend investors buy RCKSX.
- Despite strong past performance, we expect the fund to perform in line with the market.
- RCKSX's Portfolio Management rating does not justify its high Total Annual Costs.

#### Fund Rankings

- 48th percentile of the 4700+ equity funds we cover.
- 454 out of 584 Large Cap Growth funds.
- All 26 ETFs in the same category rank better.

#### Portfolio Management Rating Details

- RCKSX receives our Neutral rating because it overweights Neutral-or-worse-rated stocks.
- IWF, RCKSX's benchmark, receives our Neutral 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)	33.95%

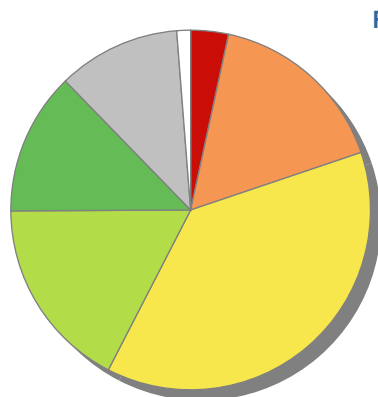
##### Valuation

★★★★☆	Free Cash Flow Yield	-0.10%
★☆☆☆☆	Price to Economic Book Value	4.11
★★☆☆☆	Market-Implied Duration of Growth	34 years

##### Fund Asset Allocation

★★★★☆	Cash Allocation	1.24% cash
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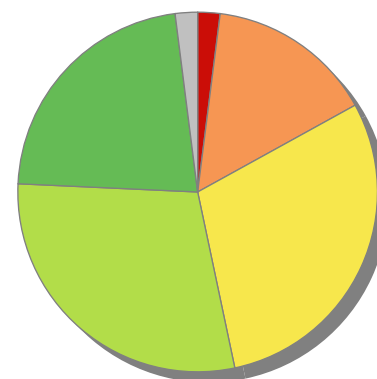
#### Allocation Details: Fund vs Benchmark - iShares Russell 1000 Growth (IWF)



RCKSX Allocations

Percentage	Rating	Percentage
3.39%	Very Dangerous ★☆☆☆	2.01%
16.43%	Dangerous ★★☆☆	14.98%
37.75%	Neutral ★★★☆☆	29.70%
17.35%	Attractive ★★★★☆	29.04%
12.81%	Very Attractive ★★★★★	22.26%
11.03%	Unrated	2.01%
1.24%	Cash	--

IWF Allocations



Holdings as of 06/30/11.  
Ratings as of 11/28/11.

#### Active Management Commentary

- RCKSX allocates 19.82% of its value to Dangerous-or-worse-rated stocks while IWF allocates 16.98%.
- RCKSX allocates 30.16% of its value to Attractive-or-better-rated stocks while IWF allocates 51.31%.
- 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 RCKSX adds value versus its ETF benchmark IWF.

#### Return - Annual

Year to Date	-9.47%
1 Year	-6.74%
3 Year	18.75%
5 Year	0.98%
Inception	1.77%

#### Top 5 Holdings

Cognizant Technology Solutions Corp	CTSH
VMware Inc	VMW
Gilead Sciences Inc	GILD
Weatherford International Ltd	WFT
Wynn Resorts Ltd	WYNN

#### Key Mutual Fund Statistics

Net Assets(mm)	\$6.90	Category	Large Cap Growth
NAV	\$10.80	Mgmt Co	Oak Associates Ltd
Benchmark	IWF	Manager	Robert D. Stimpson
# of Holdings	33	Tenure	2004
Initial Minimum	\$2,000.00	Inception	12/31/04

**Total Annual Costs Rating and Ranking**

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
★★★☆☆	1.52%	64.74%	251 of 584

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**

	RCKSX	Benchmark: IWF
Front-End Load	0.00%	--
Expense Ratio	1.26%	0.20%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--

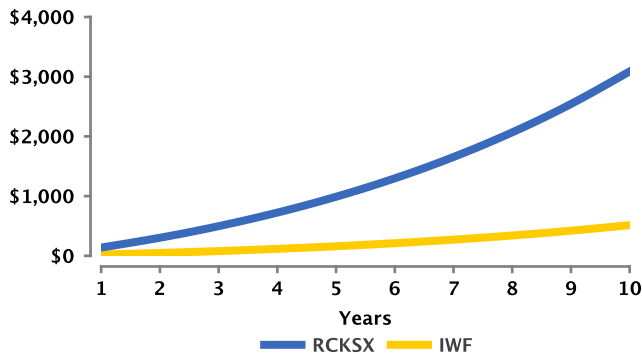
**Total Annual Costs Breakdown**

All Cost Types	Annualized Values	
	RCKSX	Benchmark: IWF
Front-End Load	0.00%	--
Expense Ratio	1.40%	0.22%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	0.12%	--
<b>Total Annual Costs</b>	<b>1.52%</b>	<b>0.22%</b>

- To justify its higher Total Annual Costs, RCKSX must outperform its ETF benchmark by 1.31% annually over 3 years or 1.31% 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 62%.

**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 \$496.81 for RCKSX and \$79.70 for IWF. 10-year Accumulated Total Costs are \$3,088.90 for RCKSX and \$514.10 for IWF.

**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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Accounting data is not designed for equity investors, but for debt investors. [Accounting data must be translated into economic earnings](#) to understand the profitability and valuation relevant to equity investors. Respected investors (e.g. Adam Smith, Warren Buffett and Ben Graham) have repeatedly emphasized that accounting results should not be used to value stocks. [Economic earnings](#) are what matter because they are:

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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