



# Validea Guru Stock Screener User Guide

Our goal at Validea is to follow proven quantitative strategies that have a long-term track record of outperforming the market. Our team combs through both published books and academic research to identify factor-based strategies for inclusion on our site.

For us to follow a strategy, it must meet two major criteria

1. It must either be developed by someone who has a long-term record of beating the market or it must be based on academic research that has been tested over the long-term.
2. It must be able to be run in a purely quantitative manner to eliminate the negative effects of human emotion.

Some of our strategies are based on investors whose names you probably recognize like Warren Buffett, Peter Lynch, and Ben Graham. Others are based on lesser known investors or academics like Joseph Piotroski, Pim Van Vliet and Dashan Huang. But regardless of how widely known a strategy's creator is, our requirements are the same: it must have a long-term track record of outperformance. Our strategies cover all the major investing factors, including value, growth, momentum, quality and low volatility.

In total, we follow 22 individual guru strategies. 12 of the strategies are included in our standard subscription and 10 additional strategies are included in our professional subscription. You can see which strategies are included in each subscription [here](#).

## How the Guru Stock Screener Works

The guru stock screener is a simple way for you to generate lists of stocks that meet the criteria of our 22 guru models and to combine them with your own criteria. Every night, we run 3000+ stocks through our system and generate a score that ranges from 0 to 100 for each stock using each strategy.

The score will give you a general idea of how closely that stock meets the tests of any one of our individual strategies. For example, if a stock meets 90% of the criteria of one of our strategies, it will receive a score of 90. It is important to note that some criteria are more important than others, so the score is not a simple average. It is weighted based on what is most important to that strategy. In general, we consider a score of 90 or above to be a passing score for a strategy (we refer to it as strong interest) and a score of 80 or above to be some interest.

## Using the Guru Stock Screener

Our guru stock screener contains three main features. The top section allows you to generate a list of stocks that pass any of our individual strategies. You can generate a list of stocks that pass a strategy with strong interest (typically a score above 90) or some interest (typically a score above 80). For example, if you wanted to find stocks that pass our strategy based on Warren Buffett with strong interest, you would

select Warren Buffett in the first drop-down box and then strong interest in the second and then click the add button. The page will then display a list of stocks that meet that strategy's tests along with some detailed fundamental information for each stock. If you want full details on why the stock meets the strategy's tests, you can click the ticker and you will be taken to our guru analysis section. You can add as many gurus as you like to your screen criteria. For example, if you want to see stocks that pass our Warren Buffett and Peter Lynch strategies simultaneously, you could select Peter Lynch and strong interest and then click add and that criteria will be added to your already selected Warren Buffett screen. You can remove any criteria by clicking the link with the x in it.

The second section of our guru stock screener allows you to look for stocks that simultaneously pass more than one of our guru strategies. For example, if you wanted to look for stocks that pass three or more of our strategies with strong interest, you would select three gurus and strong interest and click add. If you want to find out which three gurus any stock in the results passes, you can click the ticker to go to guru analysis.

The final section of the guru stock screener allows you to couple your own fundamental criteria with our guru models. We offer over 50 fundamental variables you can select from and they are grouped based on their type (i.e all the value variables are together). You can select a minimum or maximum for each variable, or both. To add a criterion, select the variable and set your minimum and/or maximum and then click add. To remove a criterion, click the link with its name and the x. To illustrate how this feature can be used, consider an investor who wants to find stocks that pass our Warren Buffett strategy, but also wants them to be cheap from a valuation standpoint. To build this search, they could select Warren Buffett and strong interest from the top section and then select PE Ratio and set a maximum of 15 from the bottom section. This would create a combined screen based on our strategy and their own criteria.

The fundamental section also allows you to filter based on sector, industry, and country (we only cover US traded stocks, but this will filter based on home country for foreign stocks that trade in the US). To filter based on any of these criteria, simply select them in the drop-down box and the page will refresh.