The great thing about market corrections, however, is that they give us an opportunity to see just how good an investment system really is. In fact, the recent downturn led us to the important discovery I'm going to share with you today...

Computer Analysis Reveals The Secret Behind The Highest Performing Stocks In History

The investment system I'm about to show you is one that has been in development for some time. It's based partly on extensive studies of historical stock price movements, and partly on our collective experience in the financial markets.

You see, computer analysis of stock market history has now revealed that the best performing stocks each year display certain traits right before they make their biggest gains. In fact, evidence suggests that if you had bought every stock over a ten-year period that passed two simple tests, you would have beaten the S&P 500 by an additional 51 to 58% return over a two-year period.

If you had narrowed your choice to just the top few stocks at any given time, your returns would have been even higher. Considering that most mutual fund managers can't even match the overall market, this performance is pretty impressive.

In fact, it's so impressive that when The Oxford Club's Investment Director, C.A. Green, first showed me these studies I was very skeptical. That's because, most investment systems, which produce above average returns also come with above average risk. They may work great for a while, but then...disaster hits!

So before bringing this system to your attention, I asked C.A. and the rest of our research team to build additional safeguards into the system that would lower the risk level. Which they did.

But the only way to know if they had succeeded was to test it during the worst market conditions.

As you know, in the final years of the 20th century, stock markets performed exceptionally well for investors-too well to be sustainable, as it turns out. Between

January 1998 and March 2000, the NASDAQ 100 rose nearly 400%. In that kind of environment, almost every investment strategy produces good returns, and even a mediocre stock-picker, with a little luck, looks like a genius.

But recent events gave us a chance to separate the really sound investment systems from those that were just pulled along by the overall trend.

The System That Took On The Biggest Crash Since '29...And Won!

In January 2000, I asked C.A. and our research team to take an imaginary sum of $40,000 and conduct 'paper trades' using the new system. They created a trial portfolio of stocks and kept track of each trade, just as if they were using real money. The idea was to see if the system lived up to their high expectations in a typical year's trading.

And then...well, you know what happened after that. Stocks fell sharply, then rose, then fell sharply again. By December 31, 2000, the NASDAQ was down 33.66% for the year (having risen from it's Autumn low of -50.84%). The Dow was down 6.38%, and the S&P had fallen 8.41%.

At that point, I asked C.A. how our trial portfolio was doing. If the portfolio had just broken even, I would have considered that to be proof the system was exceptionally safe. It would have come through a severe market decline unscathed, and beat the NASDAQ by over 33%.

As it happened, the trial portfolio wasn't worth $40,000. Instead, it had risen to $75,128-a gain of 87.82%!

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