VectorVest Derby
From The Industry Leader in Stock Analysis

QUICK START GUIDE

A Trading Revolution!

VectorVest RealTime Derby is a ground-breaking new way for traders of all experience levels to enjoy the benefits of trading.
Our primary focus is on the market trend.

Through two decades of experience, we’ve found this to be the most powerful influence on traders’ success.

We begin by identifying the short-term trend of the market using the Primary Wave (the week-over-week direction of the market, represented by the VectorVest Composite of more than 8,000 stocks). You don’t even need to worry about analyzing this yourself, because VectorVest will give you the direction of the Primary Wave every day.

The direction of the Primary Wave provides us with a foundation for going long when it is UP (buying stocks), or going short when it is DOWN (buying contra ETF’s or selling stocks short). Check to see whether the Primary Wave is Up or Down before the market opens. It’s easy!

The first part of the signal in the Trend column identifies the direction of the Primary Wave. In the example to the left, the most recent Primary Wave is UP.

<table>
<thead>
<tr>
<th>Date</th>
<th>Price</th>
<th>RT</th>
<th>BSR</th>
<th>MTI</th>
<th>Trend</th>
<th>Call</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug 05</td>
<td>38.300 (G)</td>
<td>1.08 (G)</td>
<td>2.85 (Y)</td>
<td>1.46</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Aug 04</td>
<td>38.068 (Y)</td>
<td>1.06 (Y)</td>
<td>2.25 (Y)</td>
<td>1.44</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Aug 03</td>
<td>38.028 (Y)</td>
<td>1.05 (Y)</td>
<td>2.18 (Y)</td>
<td>1.44</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Aug 02</td>
<td>37.868 (Y)</td>
<td>1.04 (Y)</td>
<td>1.91 (Y)</td>
<td>1.44</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Aug 01</td>
<td>38.176 (Y)</td>
<td>1.06 (Y)</td>
<td>2.61 (Y)</td>
<td>1.49</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 29</td>
<td>38.224 (Y)</td>
<td>1.07 (Y)</td>
<td>3.12 (Y)</td>
<td>1.50</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 28</td>
<td>38.115 (Y)</td>
<td>1.07 (Y)</td>
<td>2.93 (Y)</td>
<td>1.50</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 27</td>
<td>38.066 (G)</td>
<td>1.07 (Y)</td>
<td>3.14 (Y)</td>
<td>1.50</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 26</td>
<td>38.033 (G)</td>
<td>1.07 (G)</td>
<td>3.33 (G)</td>
<td>1.50</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 25</td>
<td>37.932 (Y)</td>
<td>1.05 (Y)</td>
<td>2.66 (Y)</td>
<td>1.50</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 24</td>
<td>38.042 (G)</td>
<td>1.07 (Y)</td>
<td>3.14 (G)</td>
<td>1.51</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 21</td>
<td>37.862 (Y)</td>
<td>1.06 (Y)</td>
<td>2.85 (Y)</td>
<td>1.50</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>Jul 20</td>
<td>37.972 (G)</td>
<td>1.06 (Y)</td>
<td>3.07 (G)</td>
<td>1.52</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
</tbody>
</table>
Placing Your Bets

Once the market opens, we monitor the movement of our VectorVest Composite to see if the market continues in the same direction projected by the Primary Wave. This not only gives the market a chance to work out some of the extreme volatility that can occur near the open, but it also stabilizes the direction the stocks will ultimately take.

And, most importantly, it gives our strategies time to show their stuff!

In fact, you can check these strategies on the Derby tab as often as you like. The Derby tab is designed to provide all the information you could possibly need in order to make search selection a breeze.

Once you feel confident that enough time has progressed to stabilize movement and minimize volatility of your results, you can buy (or sell short) your stocks based on the strategy that you feel has exhibited the best performance.
The Derby tool is broken into 4 main sections: **Settings**, **Details**, **Derby Timing Indicator**, and **Summary**.

The **Analysis Mode** field under **Settings** provides 5 modes of analysis:

- **Today’s Derby**
- **Day Trading**
- **Buy and Hold**
- **Vary the Start Date**
- **Sliding Window**
The **Today's Derby** analysis mode shows today's hottest searches in RealTime.
Portfolio Details in Derby View

Click on a search name to display the detailed results of the strategy.

On the left are the strategy's selected stocks:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Symbol</th>
<th>Cost/Share</th>
<th>Price</th>
<th>Gain/Share</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexco Resc</td>
<td>AXU</td>
<td>2.01</td>
<td>2.08</td>
<td>0.07</td>
<td>3.43%</td>
</tr>
<tr>
<td>Eurasian Mtrls</td>
<td>EMXX</td>
<td>1.32</td>
<td>1.25</td>
<td>-0.07</td>
<td>-5.30%</td>
</tr>
<tr>
<td>GOL Linhas Area</td>
<td>GOL</td>
<td>18.16</td>
<td>17.87</td>
<td>-0.29</td>
<td>-1.60%</td>
</tr>
<tr>
<td>Gold Resource</td>
<td>GORO</td>
<td>6.58</td>
<td>6.40</td>
<td>-0.18</td>
<td>-2.76%</td>
</tr>
<tr>
<td>Direxion Jr Gld</td>
<td>JNUG</td>
<td>280.93</td>
<td>280.01</td>
<td>-0.92</td>
<td>-0.33%</td>
</tr>
<tr>
<td>Magellan Petro</td>
<td>MPET</td>
<td>2.68</td>
<td>3.06</td>
<td>0.38</td>
<td>14.18%</td>
</tr>
<tr>
<td>NF Energy Sng</td>
<td>NFEC</td>
<td>1.41</td>
<td>1.36</td>
<td>-0.05</td>
<td>-3.49%</td>
</tr>
<tr>
<td>Reach Local Inc</td>
<td>RLOC</td>
<td>4.60</td>
<td>4.60</td>
<td>0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Seenergy Mlife</td>
<td>SHIP</td>
<td>4.64</td>
<td>7.12</td>
<td>2.48</td>
<td>53.45%</td>
</tr>
<tr>
<td>Sino - Global Shp</td>
<td>SINO</td>
<td>1.53</td>
<td>2.46</td>
<td>0.93</td>
<td>60.78%</td>
</tr>
</tbody>
</table>

 Winners: 0.96 32.96%
 Losers: 0.30 2.70%
 All Stocks: 0.23 11.83%

On the right is a graph displaying the performance of the strategy.

**TIP 1:** For stocks exhibiting explosive price movement, consult the Midas Touch graph layout for added confirmation.

**TIP 2:** Favor smooth, steadily rising equity curves.
You can track Derby Portfolios in Portfolio Manager!

A window will appear informing you that the portfolio has been created successfully.

Click **Open Portfolio Now** to switch to the **Portfolios** tab and view it immediately, or select **I’ll Open it Later** to remain in the Derby tab.
For **Day Trading** mode and each of the following three analysis modes, the date range can be modified using the **Date Range** field beneath **Analysis Mode**.

To modify the **Date Range**, click on the calendar to select the time interval to view.

A calendar will appear for both the **Start Date** and the **End Date** of the search interval.

You can navigate backwards in time by clicking on the back icon to the left of the month name, and navigate forward by clicking on the arrow to the right of the month name.

Select a day by clicking on it.
With the brand new enhancements to the VectorVest RealTime Derby, you can now filter any Derby search with a minimum **Price** and **Average Volume** parameter.

In **Today’s Derby** mode, you can also filter out searches that return fewer than a specified number of stocks, and searches with less than a specified **Average % of Winners**. Click the checkboxes to select these filters.

The **Derby Timing Indicator (DTI)** looks at every price and volume filter in **Today’s Derby** along with the movement of the Dow, Nasdaq, S&P500 and the VectorVest Composite and the Advance/Decline ratio. They are scaled from 0-2 (Above 1 is favorable and below 1 is unfavorable). It was designed to confirm the directional bias and signal a sustainable move.
Analysis Mode: Day Trading

In **Day Trading** mode, the performance of each search will be analyzed as if you were day-trading. Each night, the search is run, and the next day the Derby simulates buying all stocks from that search and selling them at the close of the same day. It then compiles these results for you into a summary row for each search, showing the cumulative results over the specified date range you selected. This allows you to analyze the efficacy of day-trading searches in the Derby.

Searches can be filtered in **Day Trading** mode using the available criteria:

**Date Range**

- **Date Range:** 8/1/2016 - 8/5/2016 (5 Trading Days)

**Entry Price**

- **Entry Price:**
  - Market Open
  - Prior Close

**Price**

- **Price:**
  - ALL
  - > 2
  - > 5
  - > 10

**Average Volume**

- **Avg Volume:**
  - ALL
  - > 250,000
  - > 500,000

**Minimum Number of Stocks** and **% of Winners Today**

- **Minimum Number of Stocks**
- **% Winners (Today)**
In **Buy and Hold** mode, each search will be run once for the start date specified, and then measured for its performance as of the closing price for the last date specified.

Searches can be filtered in **Buy and Hold** mode using the available criteria:

**Date Range**

- **Date Range:** 8/1/2016 - 8/5/2016

**Entry Price**

- **Entry Price:**
  - Market Open
  - Prior Close
  - Market Open

**Price**

- **Price:**
  - All
  - > 2
  - > 5
  - > 10

**Average Volume**

- **Avg Volume:**
  - All
  - > 250,000
  - > 500,000

**Minimum Number of Stocks** and **% of Winners Today**

- **Minimum Number of Stocks:** 10
- **% Max Drawdown:** 5.00
Analysis Mode: Vary the Start Date

In Vary the Start Date mode, you are able to analyze the robustness of each Derby search. This allows identifying searches that performed consistently during the specified date range. When analyzing in this mode, searches are tested starting on each possible date but ending on the same specified finish date.

Testing Range:
- Day 1 to Day 5
- Day 2 to Day 5
- Day 3 to Day 5
- Day 4 to Day 5
- Day 5 (Open to Close)

Searching can be filtered in Buy and Hold mode using the available criteria:

**Date Range** and Today's Prices

**Price**
- Entry Price
- Average Volume

**Minimum Number of Stocks** and Average % of Winners
- Date Range: 8/1/2016 - 8/5/2016
- Entry Price: Market Open
- Avg Volume: ALL
- % Winners (Avg) > 90
Analysis Mode: Sliding Window

**Sliding Window** mode allows identification of searches that performed consistently well during a specific period by randomizing the start and end dates. When analyzing in this mode, searches are tested using a specified holding period and stepped forward a day at a time.

For example, 7 trading days, with a “# of Hold Days” of 3 would test as follows:

<table>
<thead>
<tr>
<th>Duration (Days)</th>
<th>Testing Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Day 1 to Day 4</td>
</tr>
<tr>
<td>2</td>
<td>Day 2 to Day 5</td>
</tr>
<tr>
<td>3</td>
<td>Day 3 to Day 6</td>
</tr>
<tr>
<td>4</td>
<td>Day 4 to Day 7</td>
</tr>
</tbody>
</table>

Searches can be filtered in **Buy and Hold** mode using the available criteria:

- **Date Range** and **# of Hold Days**
- **Price**
- **Average Volume**
- **Minimum Number of Stocks** and **Average % of Winners**
For each of the 5 Analysis Modes, there are 3 views available.

**Derby View**
- Provides visual representations of the searches pulling ahead of the pack. This view most accurately demonstrates the true spirit of the horse race.

**Split View**
- Categorizes the winners by Bullish searches on the left and Bearish searches on the right. Clicking a column name changes the sort order. For instance, clicking on %Gain/Loss displays the winners at the top of the list.

**Spreadsheet View**
- Offers a full breakdown of the performance of each search.

**All Searches**
- Selecting the All Searches option combines Bullish and Bearish (Long and Short) searches on the same display to view the strongest overall gainer.

**Refresh**
- Re-orders strategies using current market data.

**Help**
- Provides access to instructional materials.
Gain/Loss Delta

You can see which searches have been performing the best over different time intervals and sort the spreadsheet by those Deltas.

For example, at 1pm ET you can see which searches in the Derby have performed the best since 12:30 simply by clicking to sort by the **30 Minute G/L Delta** column header.

It is possible to sort the spreadsheet by **5 Minute, 10 minute, 15 Minute, 20 Minute, and 30 Minute Gain/Loss Deltas**.
Summary pie charts are provided for All searches, Bullish searches, and Bearish searches, and each pie chart provides clear graphical representations of search performance in addition to the following key information:

**Avg % Gain/Loss**
Displays a performance analysis to gauge the average performance of a particular category of searches. For example, this will provide a feel for how well the Bearish searches are doing compared to Bullish searches.

**Avg $ Winners**
Similar to Avg % Gain/Loss, but category performance is expressed in terms of dollars.

**Winners**
Displays the number of searches that are currently profitable, and may contain both Bearish and Bullish searches.

**Losers**
Displays the number of searches currently losing money.

**No Change**
Displays the number of searches that have not had a change in profitability.

*TIP* Market Trend bias can be established by observing the relationship between the percentage of bullish vs. bearish searches.

The Derby Summary windows can be hidden or displayed by clicking on the >> button to the right of settings.
Some Key Points to Keep in Mind

Ask yourself these questions before you place your stock orders:

Do I feel comfortable with the pricing of the stocks found by my search?

Do I feel comfortable with the number of stocks found by my search?

Is my selected search supported by the current market trend?