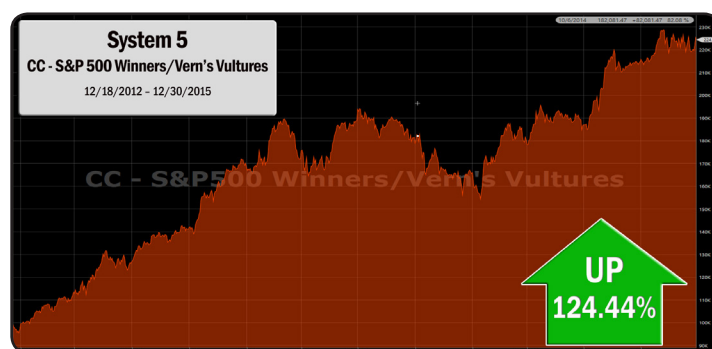


# The **Sure-Fire** **Success**<sup>TM</sup> Users Guide

VectorVest 7

US Edition

Welcome to Sure-Fire Success, a collection of complete trading-systems that remove all the guesswork from investing and deliver phenomenal investment success. These systems have been created from thousands of historical tests and years of *real time trading* to *consistently and dramatically* outperform the S&P 500. Each system provides you with quick, precise answers for when to buy, what to buy and when to sell. They are by far, the most impressive trading systems that VectorVest has developed in more than 26 years of stock market experience.



# When to Buy

## Sure-Fire Market Timing

The only way to make money in the stock market is to buy low and sell high. And nothing has more influence in helping you accomplish that goal than market timing; that's why market timing is the very foundation of every Sure-Fire Trading System.

Rather than use subjective guesses at where the market is going, VectorVest uses tried-and-true, rule-based timing signals. These signals are unmistakable and can easily be found right on VectorVest's Home Page. Each Sure-Fire system uses either the 'Green Light Buyer' (GLB), 'RT Kicker Combo' (RTC) or the 'Confirmed Market Call' (CC) to signal when to open positions.

Each of these timing systems do an incredible job of alerting you to market turning points, allowing you to add positions at market bottoms and protect your profits, short sell or buy contra ETFs at market tops. The Confirmed Calls provide slower, more cautious signals, while the Green Light Buyer and RT Kicker Combo generate faster signals for active traders. Using *either* system will ensure that you keep your portfolio on the right side of the market and avoid the catastrophic damage of major trend reversals.



RT Kicker Signals will appear in the price column of the Color Guard, *these signals are indicated by a star*. Only signals with a star are Up/Dn signals from the RTC system. Confirmed Calls are also found here, they are located in the last column on the right.

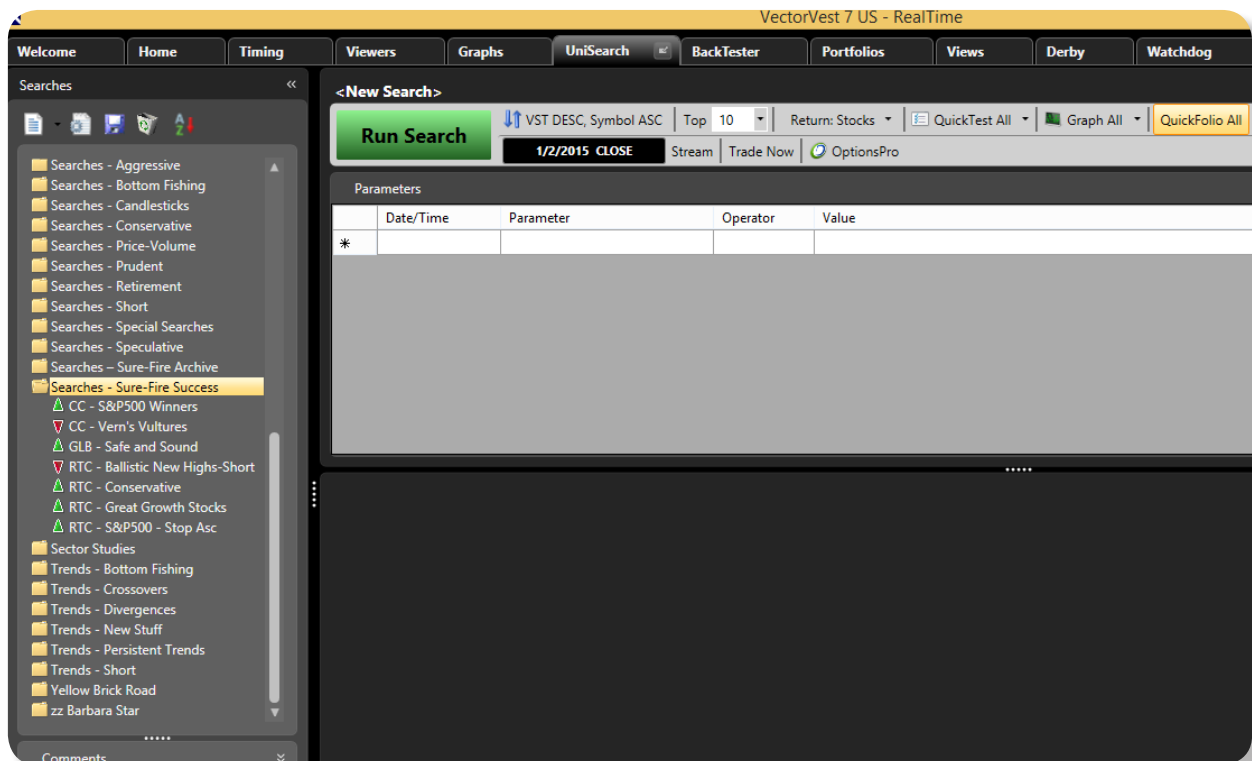
# What to Buy

## Sure-Fire Stock Selection

Now that you know when to buy, you'll need to know *what* stocks (or ETFs) you should buy or sell short. Selecting from hundreds, let alone thousands, of stocks can be an overwhelming, time-consuming, pain-in-the-kiester. But not with the Sure-Fire System.

VectorVest has conducted more than 4,000 historical portfolio tests to reveal which of our powerful, programmed stock scans provide the most *consistent* and profitable results. Each system is comprised of a bullish search for market 'up' signals and some offer a complimentary bearish search to take advantage of market downtrends. Combined with market timing and reasonable stop-losses, we've identified the searches that deliver outstanding gains through all market conditions—up, down or sideways!

Each search is conveniently located in VectorVest's search tool, UniSearch. There is a Sure-Fire Search Group, which houses all the searches.



The performance of these searches is all due to VectorVest's proprietary indicators. These indicators are what instantaneously identify and rank the best stock picks for your Sure-Fire portfolio. Just select a search, click 'Run Search' and you're ready to go!



# When to Sell

## Sure-Fire Money Management

It seems the hardest decision an investor faces is determining when to sell a stock. “Should I take the profit I have?” “Should I sell now before my loss gets worse?” “Will the price go up as soon as I sell it?” These are questions that almost every trader struggles to answer. Well, the wrestling match is over. From thousands of tests, spanning years of market turmoil, VectorVest has determined the ideal stop-losses and money management that are a perfect match for each individual Sure-Fire System.

When you put it all together—precision timing, exceptional stock selection and sensible money management—you have a collection of the finest, most user-friendly trading systems available anywhere...and you can get started with just three clicks!

### *You're Just 3-Clicks Away from Sure-Fire Success...*

Get ready for action! VectorVest's Sure-Fire Success Action Plan, has made it so easy to get started that it only takes three clicks of your mouse to get started. Whether you're brand new to VectorVest or one of our expert Elite members, you'll be able to immediately start trading (or paper trading) *any* Sure-Fire system.

1. Select the 'Timing' tab.
2. Click 'Sure-Fire Success.'
3. Click the drop-down arrow to select your Sure-Fire System.

The screenshot displays the VectorVest Market Timing interface. The main heading is "VectorVest Market Timing" with a sub-heading "Click on a section below to get up-to-date VectorVest timing information". There are several sections: "COLOR GUARD", "SURE-FIRE SUCCESS Action Plan", "MARKET TIMING Graph", and "VEC". A "Sure-Fire Success Wizard" window is open, showing the "Daily Action Plan" for "CC - S&P500 Winners/Vern's Vultures" as of "DEC 2014". The wizard has three steps: 1. "When to be Bullish vs. Bearish?" with a green up arrow and text "The Market Signal is Bullish. It is OK to Open Bullish Positions". 2. "What Stocks to Pick?" with a table of stock recommendations. 3. "When to Close a Position?" with text "Close any position that meets the following criteria: 50.0 % Gain or 10.0 % Loss".

| Company Name | Symbol          | Exch | Graph |       |
|--------------|-----------------|------|-------|-------|
| Buy Long     | Chipotle MexGr  | CMG  | xN    | Graph |
| Buy Long     | AutoZone Inc    | AZO  | xN    | Graph |
| Buy Long     | Regenerm Pharm  | REGN | xO    | Graph |
| Buy Long     | Biogen Idec Inc | BIIB | xO    | Graph |
| Buy Long     | Blackrock Inc   | BLK  | xN    | Graph |
| Buy Long     | Precision Cat   | PCP  | xN    | Graph |
| Buy Long     | Alliance Data   | ADS  | xN    | Graph |
| Buy Long     | ...             | ...  | ...   | ...   |

# The Sure-Fire Success AutoTimer (aka “The Genius”)

It’s hard to believe that following the Sure-Fire Success systems could get any easier than using the “Daily Action Plan”...but they did. With the addition of VectorVest’s AutoTimer tool and prebuilt Sure-Fire trading templates, it takes less than 10 seconds to set up a completely automated, paper portfolio. With convenient email and text alerts, *you don’t even have to log in* to know exactly what trades to make and when to make them—we call it “The Portfolio Genius.”

The Genius continually checks your portfolio for stop-losses, changes to timing signals and new trades. Not a single detail is missed. Every trade is executed with precision, entirely eliminating mistakes and destructive emotions... just watch The Genius do all the work and follow along.

1. Select the ‘Portfolios’ tab.
2. Click ‘New’ to start a new paper portfolio. Give it a name and click ‘OK.’
3. Click the ‘Settings’ button on the Genius toolbar.
4. ‘Select an Existing Trading System.’ After selecting your favorite system, click ‘OK.’
5. Customize your ‘Alert Settings’ in the upper right corner. Click ‘Save.’

The Genius is at work!



## Sure-Fire *Frequently Asked Questions*

### Q: When is the best time to start using Sure-Fire Success?

**A:** No matter which Sure-Fire Success system you choose, VectorVest has found that starting on a *new* market timing signal consistently provides the best results.

### Q: I am following a Sure-Fire System that uses the Confirmed Calls but the ColorGuard on the Home Page is telling me to do something different. What should I do?

**A:** The ColorGuard is a faster, shorter-term market timing system, the Confirmed call is a slower, more prudent system; they won't always be in agreement. You can follow the system you selected or use your own discretion by choosing to only make trades when *both* timing systems are in agreement, or you can simply stick to the trading plan for the system you selected and follow the Daily Action Plan. It will tell you exactly what to do for the system you selected.

### Q: Do I have to trade all the stocks the Daily Action Plan is showing me? Can I cherry-pick my stocks?

**A:** No, you do not need to open all your positions at once, nor do you have to use all the stocks that the Daily Action Plan is showing. If you like, you may certainly cherry-pick your favorite selections. We encourage it!

### Q: When the market timing signal changes, should I close all my positions? (Or when "Entering a new situation")

**A:** Not necessarily. We refer to a new timing signal as "a new situation." Check Appendix for the appropriate "turn action" your Sure-Fire System uses. In many cases, you will only close positions if your stop-loss is met, *not* when the market timing signal changes.

### Q: What does "Buy Long" and "Sell Short" mean?

**A:** When you buy a new stock, you're "buying long," but when shorting a stock, you're selling something you don't own, this is referred to as "selling short."

### Q: Why do the stocks I'm supposed to buy have 'Sell' Recommendations? Should I really buy them?

**A:** Some of the stocks found by your buying search may be rated a 'Sell'—this is can be a very profitable technique called "bottom-fishing." Basically, you're buying stocks that have been beaten down in price *early* in the expectation they will rise with market—these stocks are often some of the largest, fastest gainers at market turning points.

### Q: Do I have to short stocks?

**A:** Nope. In testing and in real time trading we found that taking advantage of both market uptrends and downtrends improved our gains and lessened volatility, but some investors are unable or uncomfortable shorting. All the systems still outperformed the S&P significantly using just the uptrends to buy stocks, but if you would like to include the downside, consider using contra ETFs or stock options as a replacement for shorting.

### Q: There are several Sure-Fire Success Portfolios in the Portfolio section of VectorVest; shouldn't I just buy those stocks?

**A:** No. The positions in the model portfolios were most likely opened on a different timing signal than the one on which you'll be starting. Just consult the Daily Action Plan for your stocks. Only open the number of positions you need to fill your 5 stock portfolio. If there's a duplicate of something you already have in your portfolio, move to the next stock in the list. (Tip: Afterward, you can set up a paper portfolio to be managed by VectorVest's Portfolio Genius. Using the AutoTimer, the Genius will send you alerts when your stop losses are met and notify you which new positions to open.)

## Appendix 1: Sure-Fire Success Quick Reference

| SFS Portfolio  | Type                        | Timing System        | UniSearch               | Stop-Loss                       | Max # of Positions |
|--|-----------------------------|----------------------|-------------------------|---------------------------------|--------------------|
| System #1:<br>Safe and Sound   | Conservative<br>(Long only) | Green Light Buyer Up | GLB—Safe and Sound      | VST < 1                         | 20                 |
| <b>Description</b>   |                             |                      |                         |                                 |                    |
| Trades fundamentally sound stocks and sorts strongest combination of Safety and Persistent Price Pattern to the top. Traders should consider defensive action in severe down markets to protect capital (tighten stop criteria). |                             |                      |                         |                                 |                    |
|  |                             |                      |                         |                                 |                    |
| SFS Portfolio  | Type                        | Timing System        | UniSearch               | Stop-Loss                       | Max # of Positions |
| System #2:<br>Top Line Growers   | Conservative<br>(Long only) | RT Kicker Combo Up   | RTC—Top Line Growers    | 40% Gain<br>10% Loss            | 10                 |
| <b>Description</b>   |                             |                      |                         |                                 |                    |
| Trades S&P100 stocks that have improved quarterly EPS and Sales GRT. The strongest combination of Safety and Persistent Price Pattern are sorted to the top. Positions are held through all markets and managed on Stops.        |                             |                      |                         |                                 |                    |
|  |                             |                      |                         |                                 |                    |
| SFS Portfolio  | Type                        | Timing System        | UniSearch               | Stop-Loss                       | Max # of Positions |
| System #3:<br>Great Growth Stocks  | Prudent<br>(Long only)      | RT Kicker Combo Up   | RTC—Great Growth Stocks | 10% Trailing<br>50% Target Gain | 10                 |
| <b>Description</b>   |                             |                      |                         |                                 |                    |
| Trades “Buy” rated stocks that have positive EPS and sorts the strongest combination of VST, Earnings Growth, and Average Volume to the top. Positions are held through all markets and managed on Stops.                        |                             |                      |                         |                                 |                    |
|  |                             |                      |                         |                                 |                    |



| SFS Portfolio                    | Type                   | Timing System      | UniSearch          | Stop-Loss            | Max # of Positions |
|----------------------------------|------------------------|--------------------|--------------------|----------------------|--------------------|
| System #4:<br>S&P 500<br>Winners | Prudent<br>(Long only) | RT Kicker Combo Up | RTC—S&P500 Winners | 30% Gain<br>10% Loss | 10                 |

#### Description

Trades S&P 500 stocks that are “Buy” rated and sorts to the top, those with the highest price and positive price momentum. Positions are held through all markets and managed on Stops.

| SFS Portfolio                              | Type                              | Timing System     | UniSearch         | Stop-Loss            | Max # of Positions |
|--|-----------------------------------|-------------------|-------------------|----------------------|--------------------|
| System #5:<br>S&P 500<br>Winners<br>Hedged | Aggressive<br>(Long and<br>short) | Confirmed Call Up | CC—S&P500 Winners | 50% Gain<br>10% Loss | 5                  |

#### Description

Trades S&P 500 stocks that are “Buy” rated and sorts to the top, those with the highest price and positive price momentum. Positions are held through all markets and managed on Stops.

| SFS Portfolio                              | Type                              | Timing System       | UniSearch          | Stop-Loss    | Max # of Positions |
|--|-----------------------------------|---------------------|--------------------|--------------|--------------------|
| System #5:<br>S&P 500<br>Winners<br>Hedged | Aggressive<br>(Long and<br>short) | Confirmed Call Down | CC—Vern’s Vultures | 10% Trailing | 5                  |

#### Description

Down markets are hedged by filling any open positions by shorting stocks that are over \$10, over-priced, and have poor fundamentals.

(See next 5 pages for more detailed settings)

# BackTest Settings for: GLB - Safe and Sound

## Account

|                            |                            |
|----------------------------|----------------------------|
| <b>Initial Investment:</b> | \$100,000.00               |
| <b>Commission:</b>         | \$9.95 per trade           |
| <b>Margin:</b>             | Don't Use Margin           |
| <b>Interest:</b>           | Don't Account for Interest |
| <b>Place Trades At:</b>    | Next Day's Open            |

## Market Timing

Green Light Buyer

## Automation Rules (Up):

|   |  |
|---|--|
| <b>Direction:</b>   | Buy Long   |
| <b>Search:</b>  | GLB - Safe and Sound                                   |
| <b>Stop Criteria:</b>   | VST < 1.00   |
| <b>Simulate Intraday Stops:</b>                               | N/A  |
| <b>Optimum Number Of Positions To Hold:</b>                   | 20   |
| <b>Automatically replace closed positions:</b>                | Automatically replace closed positions                 |
| <b>When opening new positions:</b>                            | Try to open all positions the first available day.     |
| <b>Turn Action:</b>   | Don't close positions when entering this situation     |
| <b>Amount To Invest When Replacing Positions:</b>             | Invest average portfolio value                         |
| <b>Lots:</b>  | Odd Lots   |
| <b>Duplicate Policy:</b>                                      | Don't repurchase the same stock for 31 days after sale |
| <b>Don't buy if stock violates stop criteria at purchase:</b> | YES - Box checked                                      |
| <b>Max Stocks Per Industry:</b>                               | N/A  |
| <b>Max Stocks Per Sector:</b>                                 | N/A  |
| <b>Max % Average Volume:</b>                                  | 2.00 %   |

## Automation Rules (Down):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Automation Rules (Neutral):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Test Period

|                    |           |
|--------------------|-----------|
| <b>Start Date:</b> | 1/3/2013  |
| <b>End Date:</b>   | 12/4/2015 |

## Description

# BackTest Settings for: RTC - Top Line Growers

## Account

|                            |                            |
|----------------------------|----------------------------|
| <b>Initial Investment:</b> | \$100,000.00               |
| <b>Commission:</b>         | \$9.95 per trade           |
| <b>Margin:</b>             | Don't Use Margin           |
| <b>Interest:</b>           | Don't Account for Interest |
| <b>Place Trades At:</b>    | Next Day's Open            |

## Market Timing

RT Kicker Combo

## Automation Rules (Up):

|   |  |
|---|--|
| <b>Direction:</b>   | Buy Long   |
| <b>Search:</b>  | Top Line Growers                                   |
| <b>Stop Criteria:</b>   | 40.0 % Gain or 10.0 % Loss                         |
| <b>Simulate Intraday Stops:</b>                               | YES - Box Checked                                  |
| <b>Optimum Number Of Positions To Hold:</b>                   | 10   |
| <b>Automatically replace closed positions:</b>                | Automatically replace closed positions             |
| <b>When opening new positions:</b>                            | Try to open all positions the first available day. |
| <b>Turn Action:</b>   | Don't close positions when entering this situation |
| <b>Amount To Invest When Replacing Positions:</b>             | Invest average portfolio value                     |
| <b>Lots:</b>  | Odd Lots   |
| <b>Duplicate Policy:</b>                                      | Don't repurchase a stock I CURRENTLY own           |
| <b>Don't buy if stock violates stop criteria at purchase:</b> | YES - Box checked                                  |
| <b>Max Stocks Per Industry:</b>                               | 3  |
| <b>Max Stocks Per Sector:</b>                                 | N/A  |
| <b>Max % Average Volume:</b>                                  | 2.00 %   |

## Automation Rules (Down):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Automation Rules (Neutral):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Test Period

|                    |           |
|--------------------|-----------|
| <b>Start Date:</b> | 1/3/2013  |
| <b>End Date:</b>   | 12/4/2015 |

## Description

# BackTest Settings for: RTC - Great Growth Stocks

## Account

|                            |                            |
|----------------------------|----------------------------|
| <b>Initial Investment:</b> | \$100,000.00               |
| <b>Commission:</b>         | \$9.95 per trade           |
| <b>Margin:</b>             | Don't Use Margin           |
| <b>Interest:</b>           | Don't Account for Interest |
| <b>Place Trades At:</b>    | Next Day's Open            |

## Market Timing

RT Kicker Combo

## Automation Rules (Up):

|   |  |
|---|--|
| <b>Direction:</b>   | Buy Long   |
| <b>Search:</b>  | RTC - Great Growth Stocks                              |
| <b>Stop Criteria:</b>   | 10.0 % Trailing Stop, 50.00 % Target Gain              |
| <b>Simulate Intraday Stops:</b>                               | YES - Box Checked                                      |
| <b>Optimum Number Of Positions To Hold:</b>                   | 10   |
| <b>Automatically replace closed positions:</b>                | Automatically replace closed positions                 |
| <b>When opening new positions:</b>                            | Try to open all positions the first available day.     |
| <b>Turn Action:</b>   | Don't close positions when entering this situation     |
| <b>Amount To Invest When Replacing Positions:</b>             | Invest average portfolio value                         |
| <b>Lots:</b>  | Odd Lots   |
| <b>Duplicate Policy:</b>                                      | Don't repurchase the same stock for 31 days after sale |
| <b>Don't buy if stock violates stop criteria at purchase:</b> | YES - Box checked                                      |
| <b>Max Stocks Per Industry:</b>                               | 3  |
| <b>Max Stocks Per Sector:</b>                                 | N/A  |
| <b>Max % Average Volume:</b>                                  | 2.00 %   |

## Automation Rules (Down):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Automation Rules (Neutral):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Test Period

|                    |           |
|--------------------|-----------|
| <b>Start Date:</b> | 1/3/2013  |
| <b>End Date:</b>   | 12/4/2015 |

## Description

# BackTest Settings for: RTC - S&P500 Winners

## Account

|                            |                            |
|----------------------------|----------------------------|
| <b>Initial Investment:</b> | \$100,000.00               |
| <b>Commission:</b>         | \$9.95 per trade           |
| <b>Margin:</b>             | Don't Use Margin           |
| <b>Interest:</b>           | Don't Account for Interest |
| <b>Place Trades At:</b>    | Next Day's Open            |

## Market Timing

RT Kicker Combo

## Automation Rules (Up):

|   |  |
|---|--|
| <b>Direction:</b>   | Buy Long   |
| <b>Search:</b>  | CC - S&P500 Winners                                |
| <b>Stop Criteria:</b>   | 30.0 % Gain or 10.0 % Loss                         |
| <b>Simulate Intraday Stops:</b>                               | YES - Box Checked                                  |
| <b>Optimum Number Of Positions To Hold:</b>                   | 10   |
| <b>Automatically replace closed positions:</b>                | Automatically replace closed positions             |
| <b>When opening new positions:</b>                            | Try to open all positions the first available day. |
| <b>Turn Action:</b>   | Don't close positions when entering this situation |
| <b>Amount To Invest When Replacing Positions:</b>             | Invest average portfolio value                     |
| <b>Lots:</b>  | Odd Lots   |
| <b>Duplicate Policy:</b>                                      | Don't repurchase a stock I CURRENTLY own           |
| <b>Don't buy if stock violates stop criteria at purchase:</b> | YES - Box checked                                  |
| <b>Max Stocks Per Industry:</b>                               | 3  |
| <b>Max Stocks Per Sector:</b>                                 | N/A  |
| <b>Max % Average Volume:</b>                                  | 2.00 %   |

## Automation Rules (Down):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Automation Rules (Neutral):

|                   |           |
|-------------------|-----------|
| <b>Direction:</b> | No Action |
|-------------------|-----------|

## Test Period

|                    |            |
|--------------------|------------|
| <b>Start Date:</b> | 1/3/2013   |
| <b>End Date:</b>   | 12/22/2015 |

## Description



## BackTest Settings for: CC - S&P500 Winners/Vern's Vultures

### Account

|                            |                            |
|----------------------------|----------------------------|
| <b>Initial Investment:</b> | \$100,000.00               |
| <b>Commission:</b>         | \$9.95 per trade           |
| <b>Margin:</b>             | Don't Use Margin           |
| <b>Interest:</b>           | Don't Account for Interest |
| <b>Place Trades At:</b>    | Next Day's Open            |

### Market Timing

Confirmed Calls

### Automation Rules (C/UP):

|   |  |
|---|--|
| <b>Direction:</b>   | Buy Long   |
| <b>Search:</b>  | CC - S&P500 Winners                                    |
| <b>Stop Criteria:</b>   | 50.0 % Gain or 10.0 % Loss                             |
| <b>Simulate Intraday Stops:</b>                               | YES - Box Checked                                      |
| <b>Optimum Number Of Positions To Hold:</b>                   | 5  |
| <b>Automatically replace closed positions:</b>                | Automatically replace closed positions                 |
| <b>When opening new positions:</b>                            | Try to open all positions the first available day.     |
| <b>Turn Action:</b>   | Close specific positions when entering this situation  |
| <b>Amount To Invest When Replacing Positions:</b>             | Invest average portfolio value                         |
| <b>Lots:</b>  | Odd Lots   |
| <b>Duplicate Policy:</b>                                      | Don't repurchase the same stock for 31 days after sale |
| <b>Don't buy if stock violates stop criteria at purchase:</b> | YES - Box checked                                      |
| <b>Max Stocks Per Industry:</b>                               | N/A  |
| <b>Max Stocks Per Sector:</b>                                 | N/A  |
| <b>Max % Average Volume:</b>                                  | 2.00 %   |

### Automation Rules (C/DN):

|   |  |
|---|--|
| <b>Direction:</b>   | Sell Short   |
| <b>Search:</b>  | CC - Vern's Vultures                                   |
| <b>Stop Criteria:</b>   | 10.0 % Trailing Stop                                   |
| <b>Simulate Intraday Stops:</b>                               | YES - Box Checked                                      |
| <b>Optimum Number Of Positions To Hold:</b>                   | 5  |
| <b>Automatically replace closed positions:</b>                | Automatically replace closed positions                 |
| <b>When opening new positions:</b>                            | Try to open all positions the first available day.     |
| <b>Turn Action:</b>   | Don't close positions when entering this situation     |
| <b>Amount To Invest When Replacing Positions:</b>             | Invest average portfolio value                         |
| <b>Lots:</b>  | Odd Lots   |
| <b>Duplicate Policy:</b>                                      | Don't repurchase the same stock for 31 days after sale |
| <b>Don't buy if stock violates stop criteria at purchase:</b> | YES - Box checked                                      |
| <b>Max Stocks Per Industry:</b>                               | N/A  |
| <b>Max Stocks Per Sector:</b>                                 | N/A  |
| <b>Max % Average Volume:</b>                                  | 2.00 %   |

### Test Period

|                    |           |
|--------------------|-----------|
| <b>Start Date:</b> | 1/3/2013  |
| <b>End Date:</b>   | 12/4/2015 |

### Description