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VectorVest Canada Bulletin

JUNE | 2014

Tips and ideas for making money with VectorVest

Dear Fellow Investors,

For years now, ETFs have been gaining in popularity as their advantages become better known. With a single transaction, they offer investors a low-cost way to diversify a portfolio by replicating the daily performance (or inverse performance) of just about any index, sector or industry group. In fact, I hear from many subscribers who now prefer ETFs over other securities like stocks, bonds and especially mutual funds. You don't have to give up owning stocks though to reap the rewards ETFs can offer—choosing to add a few strategically configured ETFs to your existing portfolio can provide better balance, thereby lowering risk significantly. But in order to do that, you'll need a systematic and effective methodology for finding the best ETFs. VectorVest has it.

The trick is setting up effective WatchLists in categories that make sense

to you. Looking for fixed income? Put the bond tracking and preferred ETFs in a special WatchList. Buy the ones that have the best yields and most consistent performance. In the article that appears on Page 5, I've given you a few ideas. The list of ETFs is not meant to be exhaustive—there may be other ones that you would prefer. Just make sure that any ETF you select has reasonable average and daily volume. Feel free to make other changes that suit your investment temperament—don't want to buy anything leveraged? Don't put them in your WatchLists.

I enjoyed putting the article together. I hope you find it interesting and helpful.

Finally, just a quick update on the Retirees Income Model Portfolio. Not too much change before my holiday, but Gluskin-Sheff (GS) was sold out of the portfolio on May 20. The capital appreciation was about 9.2%, but the



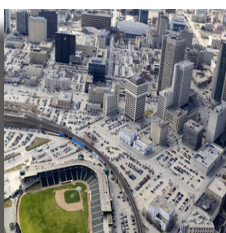
overall gain will be about 16% thanks to a special dividend and two regular dividend payments. Truthfully, I hated to sell it. It still has great fundamentals including a high VST and RS. However, price and RT were steadily falling to the point where it had become a SELL REC. More importantly, we were in danger of losing more than ½ of our very nice gain. That would *not* have felt good.

Yours for good investing,

Stan Heller

Stan Heller

UPCOMING EVENTS—click on the links below to sign up today!



Executive Premiere Workshop
[Winnipeg, M.B.](#) [Jun 14, 2014](#)

This workshop will show you step-by-step how to find the right Canadian dividend payers at the right time. Nothing will prepare you better for reaping the rewards offered by Canada's best dividend paying companies!

Date	Price	RI	BSR	MU	Trend
Jun 10	12.40	1.00	1.00	1.10	Down
Jun 07	12.40	1.00	1.00	1.08	Up
Jun 06	12.22	1.00	1.00	1.08	Down
Jun 05	12.22	1.00	1.00	1.08	Down
Jun 04	12.22	1.00	1.00	1.08	Down
Jun 03	12.22	1.00	1.00	1.08	Down
May 31	12.22	1.00	1.00	1.08	Down
May 30	12.22	1.00	1.00	1.08	Down
May 29	12.22	1.00	1.00	1.08	Down
May 28	12.22	1.00	1.00	1.08	Down
May 24	12.22	1.00	1.00	1.08	Down
May 23	12.22	1.00	1.00	1.08	Down

Intermediate Options Course
[Cornelius, N.C.](#) [June 12, 2014](#)

This course equips experienced option traders with strategies that are safer, easier to manage, less expensive and powerful enough to generate a steady stream of income.

THE BEST TIME TO INVEST

Buying on the Dips

I often get asked “Is it always okay to purchase a VectorVest BUY-rated stock?”
The answer? NO!

First, most stocks will move in the direction of the overall market. So if the market is trending lower, VectorVest guidance may urge caution or “do not buy stocks at this time.” Even a BUY REC stock with solid fundamentals may get pulled down, at least temporarily, in a down-trending market. Second, if a stock has been rising in price for a considerable time, it may be due for a pullback regardless of market condition. Remember, at some point, every BUY rated stock was once a HOLD, and at some other point, every BUY rated stock will pull back to a HOLD or even a SELL. Your best bet is to BUY a high-flier when it starts rising after a pullback.

One technique VectorVest teaches is to use the relationship between PRICE and the STOP PRICE. (The STOP Price by the way is a 13-week Moving Average of price, adjusted for the fundamentals. A stock with good fundamentals will have a wider Stop. You’ll notice that a stock with weaker fundamentals often requires a longer sustained uptrend before it receives a BUY signal.) When market conditions are favorable, consider buying an up-trending stock when price has “pulled back” closer to its STOP Price. You can see this opportunity most clearly when the stock has pulled back to a HOLD, and then gets a NEW BUY as it starts to rise again. This happened several times with Raging River (RRX) as shown on the graph. The vertical green lines are BUY opportunities.



Most recently, on Jan 13 and Feb 27, RRX pulled back but not far enough to receive a Hold recommendation. These were still good buying opportunities though, because the market was also rising.

TIP: WHEN NOT TO BUY. Even when a stock has a BUY REC, if the gap between Price and the Stop Price is at its widest point, the stock may be “over-extended.” There is a greater risk the stock will pull back, and of course, it can fall quite far before resuming the upward trend. Nothing goes up in a straight line forever. The SAFEST PLAY is to be patient and “buy on the dips,” the technique above will help you do this.

UPCOMING WEBCASTS

Webinars are completely free and a great opportunity for you to interact and have your questions answered. Most webinars are recorded. Simply register and you will be e-mailed a link to watch the recorded presentation at your convenience! Archived webinars can be found at www.vectorvest.ca/Events.

* You’re invited to attend the “**Canadian Strategy of the Week Q+A**” every Monday at 12:00 P.M. ET (except holidays). *Stan, or a senior VectorVest instructor, will review the current market conditions, look for a few stock trading ideas and answer your questions from the previous Friday’s SOTW.*

DISCLAIMER

The information contained herein is not to be considered in any way as financial advice. There is financial risk in investing. Every investor must do your own stock analysis and make buy and sell decisions based on your personal financial goals, risk tolerance, time horizon, investment style, time available for investing and learning about investing, as well as other factors. **Past performance does not guarantee similar future performance.**

High CI stocks can help you sleep better at night

Unleash the power of the “Maalox Indicator” to help reduce risk in a portfolio.

VectorVest’s Comfort Index (CI) indicator is sometimes called the “Maalox Indicator” by VectorVest instructors. Why? Owning stocks that have a high CI helps calm the stomach churning stress that unpredictable price swings cause, allowing you to sleep better at night. CI is on a scale of 0.00-2.00, the higher the CI the better, especially when it’s rising or holding steady.

CI DEFINITION: Right click on any stock in the

Stock Viewer and select “Full Stock Analysis Report” from the menu. This report is a great resource for reviewing the definition of any VectorVest stock analysis indicator, including CI. For example, here’s what the report said for ACQ’s Comfort Index on 5/23/14:

“CI is an indicator which reflects a stock’s ability to resist severe and/or lengthy price declines. ACQ has a CI rating of 1.89, which is excellent on a scale of 0.00 to 2.00.

CI is quite different from RS (Relative Safety) in that it is based solely upon a stock’s long-term price history. VectorVest advocates the purchase of high CI stocks.”

TIP: It’s okay to buy a stock with a CI below 1.0, as long as the stock has good fundamentals and its CI is starting to rise from a clear bottom. Look for confirmation from price crossing above your favourite moving average or consider waiting for a new BUY REC.

TOP 5 HIGH CI \$15 STOCKS ON MAY 23

1) ACQ
Autocanada

2) CRX
Cconcordia Healthcare

3) AIF
Altus Group

4) LNR
Linamar


5) CEU
Canadian Energy




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Stock ideas. Charts. Market analysis. Tips on using VV. News about upcoming events and much more. 

 Search “VectorVest Canada” or go to --> [The VectorVest Facebook Page](#)

 Type “VectorVest CDN” in the search bar and click “Follow” to receive regular market news updates, stock analysis and more.

Dr. DiLiddo encourages a Toronto Gathering to “Secure a Happy Retirement by Investing Wisely.”

VectorVest founder, Dr. Bart DiLiddo, thanked the crowd of more than 130 investors who traveled to Mississauga for the May 9-10 Investment Workshop. He also shared his personal philosophy, namely, that everyone should learn to save and invest wisely in order to secure a solid financial future for themselves and their families. He emphasized, that it's up to each individual to take charge of their own finances and investments. “You need reliable, up-to-date information, effective analysis tools and ongoing, investment education to achieve your financial goals. That's what you get with VectorVest.”



Newlyweds Chris Pereira and Marie Popp joined VectorVest Founder Dr. Bart DiLiddo at the Cocktail Reception during the May 9-10 Toronto Investment Workshop.

Don't Miss Out on the VectorVest Lottery: Just Watch the Strategy of the Week!

**VectorVest's
ALL-NEW**

STRATEGY OF THE WEEK

Win a free month of VectorVest! LOTTERY!

» Just watch the strategy of the week and you will be automatically entered into our weekly lottery

» Three lucky subscribers will win every week

» The winners will be randomly selected each Monday

YOU could be VectorVest's next big winner!

Watch & Win

Make the Strategy of the Week a part of your weekend routine! You'll not only learn how to use the VectorVest System more effectively, you'll be entered into a free drawing just for watching.

The prize: One free month of VectorVest added to your current subscription.

TOP 5 ETF GAINERS YTD

TO MAY 23

Regular Non-Leveraged:

1. ZID - 30.57%
2. CLO - 16.24%
3. XEG - 16.02%
4. ZGI - 14.92%
5. XBZ - 13.19%

Regular Leveraged (2X):

1. HEU - 35.19%
2. HOU - 22.20%
3. HMU - 18.27%
4. HXU - 16.79%
5. HGU - 14.70%

Strategically Selected ETFs Can Smooth Your Portfolio Performance

Exchange Traded Funds (ETFs) are still considered the new kids on the investment block, but today they can be a nice alternative to mutual funds and their expensive fees.

The past few years have seen significant growth in the range of choices the exchange-traded fund (ETF) market offers investors. We can now select from a wide variety of ETFs based on indexes, stocks, commodities, alternative market and all manner of fixed income instruments. But which ones to choose?

VectorVest allows investors to quickly and easily create WatchLists of ETFs. A VectorVest WatchList is not just a list of ETFs or stocks. It's one of the most powerful tools in the program. By default, each list you create is force-ranked in order of the best combination of Value, Safety and Timing (VST). Not a bad start, right? However, with a click of the mouse you can analyze and even re-sort by any column including Relative Timing (RT), Comfort Index (CI), Dividend Yield (DY), Dividend Safety (DS), Average Volume and more. (A reasonable average volume of at least 20,000 shares is something you might consider for ETFs to avoid wide price fluctuations.)

Figure 1 is an example of how you might set up your ETF WatchLists. Select an existing WatchList Group (such as 'My WatchLists') or create a new one. Right click on the group to 'Create a New WatchList' for any distinct category that is

meaningful to you. Use VectorVest's "Full Stock Analysis Report" to learn about each ETF. Go to the issuer's website if you want more information such as current holdings. You will find this information invaluable in setting up your own WatchLists according to your personal investment style and preferences.

Figure 1

Create Your Own Powerful ETF WatchLists in VectorVest			
Category	ETF	Category	ETF
Agriculture	COW	Emerging Markets	HJU*,XBZ,XCH,ZEF,ZEM,ZID,ZDM
Banks/Financial	CEW,FIE,HFU*,XFN,ZEB,ZWB	Health Care	XHC,ZUH
Dividend Payers	CDZ,XDV,XEI,ZDV,ZWA	Growth & Value	HXU*,HSU*,XCS,XIC,XIU,ZCN
Income/Growth	CBN,CBD,XAL,ZCN	Infrastruct/Tech	CIF,HQU*,XIT,ZGI,ZQQ
Preferred Shares	CPD,HPR,XPF,ZPR	Mining/Metals	HBV*,HEP*,HGU*,HMU*,HZU*,XGD, ZMT
Utilities	XUT,ZUT,ZWU	Real Estate	CGR,XRE,ZRE
Fixed Income	CBO,CLF,XLB,XBB,XCB,XIN,XHY, XSB,ZAG,ZCM,ZCS,ZFS,ZLC, ZHY	Energy/Oil/Gas	CBR,CLO,HEE,HEU*,HNU*,HOU*, XEG, ZJO,ZEO
* 2x Leveraged ETFs			

A Simple Search Example: ETF Dividend Payers

It's easy to create or modify search criteria to include (or exclude), any WatchList in VectorVest—even your own! For example, let's say you only wanted to trade non-leveraged ETFs. Simply click in the first empty cell in the 'Parameter' column and select 'Stocks/Filter by/ WatchList.' Move to the 'Operator' cell and choose '=', then make your final selection by clicking in the 'Value' cell and checking the box next to any WatchList(s) you'd like to include. I've also included a WatchList filter for my own ETF WatchList so that only stocks in both my WatchList and the Non-Leveraged ETFs WatchList will be returned.

ETF DIVIDEND SEARCH - SRH

Run Search

VST DESC, AvgVol ASC

Display Top 100

Return: Stocks

Quick

1/2/2014

Stream

Parameters

	Date/Time	Parameter	Operator	Value
	Time of Search	Stock AvgVol - (50 day moving ...	>	20000
	Time of Search	Stock Price - (Actual)	>	4
	Time of Search	Stock Watchlist	=	Non-Leveraged ETFs - Regular
	Time of Search	Stock Watchlist	=	ETF SELECT WATCHLIST - SRH
	Time of Search	Stock DY - (Dividend Yield)	>	2

USER GROUPS

Participating and being a part of the VectorVest user group community offers fellowship and makes us all better and more knowledgeable investors.

Meeting Info: All the information on Seminars and User Groups meetings in your area can be found in the VIEWS tab every Friday.

Our **Special Thanks** to all the volunteer User Group Leaders and their helpers for their time and dedication.

REFERRAL PROGRAM

Invite a Friend to join VectorVest today!

For \$9.95 USD they can try the complete program for 5 weeks, and you receive **one month free** added to your subscription. The more friends we have investing with VectorVest, the more fellowship and the more we learn together.

Not A Subscriber Yet?

A 5-week trial is just \$9.95 USD. Call us today at 1-888-658-7638.

STRATEGY OF THE WEEK

Be sure to watch the Strategy of the Week (SOTW) video every Friday night to learn about investing with VectorVest and ideas for what's working right now in the current market. (Remember, everyone who watches the SOTW will also be entered to win the weekly lottery for a free month of VectorVest.)

Looking for a Strategy on a particular topic or area of interest? One of the fastest ways to find them is to scan through the list of SOTW topics. Just go to the VIEWS tab. In the VIEWS MANAGER section near the top left of your screen, select "Strategy of the Week." The list of strategies appears in date order. Double click on the strategy to get a description and quick link in the Views.

CONTACT STAN

Questions? Tips? Information you'd like highlighted in the next newsletter?

Contact Stan at stan.heller@vectorvest.ca. Normally I try to respond within one week depending on the volume of e-mails I receive.

Thank you for reading. I hope you found this material interesting and beneficial to your investing with VectorVest!