QUICK REFERENCE GUIDE

VectorVest®
Stock Analysis and Portfolio Management System
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VectorVest provides all the tools, training and information you need to make faster, smarter, better assessments of the market and the stocks you’re buying.

Our mission is to provide the best stock market guidance available anywhere, at any price.

- We believe every investor should know what their stocks are really worth, how safe they are, and when to buy, sell, or hold.
- We believe that market direction is the single most important thing investors need to know.
- We believe prudent investors should buy safe, undervalued stocks rising in price in a rising market.
Build a WatchList

WatchLists allow you to apply the power of VectorVest analysis to the stocks you own or are interested in. Stocks are instantaneously ranked by VST-Vector so the stocks with the best combination of Value, Safety and Timing are at the top of the list.

1. To create a WatchList, first click on the Viewers tab.

2. Next, click on My WatchLists and then click on the New WatchList icon.

3. A window will appear. Select a name for your WatchList (i.e. My Stocks) and type it in the Name field. Type any comments or a description and click Add.

4. The new WatchList will now appear in the list!
Build a WatchList

There are three ways to add stocks to your WatchList.

1. Type the company name or ticker symbol in the Add Symbol(s) box

2. Right click a stock, or group of stocks, and select Add to WatchList

3. Highlight stocks by holding down the Ctrl key and clicking on stocks you wish to add.

   Click and hold the last highlighted stock and drag the mouse over to your WatchList.

   Drop the stocks into your WatchList.

Stocks with the best combination of Value, Safety and Timing, VST-Vector, are immediately brought to the top of the list.
Are your stocks consistent with your investment style?

We learned in Stock Viewer that each one of your stocks has been analyzed for Value (RV), Safety (RS) and Timing (RT). In WatchLists, at a glance, we can see the average RV, RS and RT of the stocks we put in the WatchList. This helps us see if the stocks in the WatchList are consistent with our Investment Style.

It’s important for every investor to know what their investment style is. Every investor has an intuitive sense of their own risk/reward profile. They feel it in their bones and it dictates their investment patterns. A key to becoming a successful investor is in recognizing your investment style and in buying stocks which are consistent with that style.

The VectorVest system of stock analysis identifies four basic investment styles. They are arranged in the Strategic Investment Matrix.

More detail can be found in Chapter 11 of Stocks, Strategies & Common Sense.

Determine which quadrant characterizes your stocks.
VST is great when you're deciding to buy, but once you've bought a stock you need to watch the price trend. This is indicated in the RT or *Relative Timing* column.

![Table of stock data]

To sort by RT, click on the column header.

Stocks with RT below 1.0 are in a downtrend and may be hurting your portfolio. You want to look at a graph of those stocks to help decide whether or not to replace them.

Start with RT and analyze the other indicators:

**Relative Timing**
- >1 = short-term price trend is up
- <1 = short-term price trend is down

**Recommendation**
- Buy, Sell or Hold

**Price & Value**
- Price < Value = Undervalued
- Price > Value = Overvalued

**Relative Value**
- >1 = potential to outperform a AAA corporate bond
- <1 = potential to under-perform a AAA corporate bond

**Relative Safety**
- >1 = safe, compared to an average stock in the database
- <1 = risky, compared to an average stock in the database
This is where VectorVest Analyzes Your Stocks using proprietary analysis, providing you with the answers you won’t find anywhere else.

<table>
<thead>
<tr>
<th>Company</th>
<th>Symbol</th>
<th>Exch.</th>
<th>Price</th>
<th>%PRC</th>
<th>$ Change</th>
<th>Value</th>
<th>RV</th>
<th>RS</th>
<th>RT</th>
<th>VST</th>
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</table>

**Value**
Measures a stock’s current worth.

Price < Value = Undervalued
Price > Value = Overvalued

**RV** (Relative Value)
Indicates long-term price appreciation potential compared to an alternative investment in AAA corporate bonds over the next one to three years.

>1 = potential to outperform a AAA corporate bond
<1 = potential to under-perform a AAA corporate bond

**RS** (Relative Safety)
Indicates risk, looking at the consistency and predictability of a company’s financial performance.

>1 = safe, compared to an average stock in the database
<1 = risky, compared to an average stock in the database

**RT** (Relative Timing)
Indicates a stock’s short term price trend.

>1 = short-term price trend is up
<1 = short-term price trend is down

**VST** (Value, Safety, Timing)
The master indicator, combines RV, RS, and RT into a single indicator.

>1 = favorable combination of value, safety, and timing
<1 = unfavorable combination of value, safety, and timing

**Our Philosophy is to Buy Safe, Undervalued Stocks, Rising in Price in Rising Markets.**
Analyze Your Stocks with VectorVest’s proprietary Buy, Sell, Hold recommendations. A Buy, Sell or Hold recommendation is given on each stock, every day.

<table>
<thead>
<tr>
<th>Value</th>
<th>RV</th>
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<th>RT</th>
<th>VST</th>
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<td>0.61</td>
<td>0.87</td>
<td>S</td>
<td>21.76</td>
</tr>
</tbody>
</table>

- **B** When a stock’s price rises above the Stop price, has good fundamentals, and is in an uptrend, the stock gets a Buy.
- **H** When a stock’s price is above the Stop price, but one of the other criteria above is not met, the stock gets a Hold.
- **S** When a stock’s price falls below the Stop price, the stock will automatically get a Sell.
Build a WatchList

Right-click on a stock and select **View Full Stock Analysis**. You can pull up the full **Stock Analysis Report** to help you keep everything straight.

This report defines, analyzes, and summarizes all the content we’ve discussed. It also includes additional information such as earnings, dividends, and sales.

Print one out to keep by your computer!
A graph is an excellent tool to gather more information when making a decision to sell.

Right-click on the stock at the bottom of your WatchList and select View Stock Graph.

A separate window will appear with the graph of the stock you have selected.
Read the Graphs

By default, the graph displays Price with a 40-day MA and Relative Timing (RT).

You can add parameters by clicking the “Add Parameter” button. Turn their view off and on by clicking on the checkboxes in the Graph Control Panel.

To change the time-frame displayed, use one of the following 3 methods:

1. Click on the Custom Date Range and select a Start Date and End Date.
2. Click on one of the Preset Time Frames.
3. Drag to extend or compress the Timebar.
Read the Graphs

How do you know when to sell a stock? These four things will help you determine when to sell.

1. **Price Direction & Volatility**
   What is the overall direction of the stock’s price and how volatile is it? If a stock is volatile now, it will most likely be volatile in the future.

2. **Compare price to the 40 day moving average**
   When the price falls below the 40-day MA, it is a great early warning signal.

3. **Look at RT**
   RT will display the short-term price trend. When RT falls below 1.0, the short term price trend has turned down.

4. **Compare Price to Stop**
   When the price falls below the VectorVest Stop price, it will automatically receive a SELL recommendation. This is our line in the sand—ignore it only at your own risk.
Read the Graphs

What is the price direction over the last year?

What direction is the price moving now?

Is the stock volatile?

Does it have large, quick movements in price?

Stock is clearly in a downtrend. If your stock looks like this, revisit the reasons which caused you to buy it.

Stock is volatile and will likely continue to be volatile in the future. Decide if this matches your investment style.
When the price falls below the 40 day MA it is a great early warning signal.
Read the Graphs

RT will display the short-term price trend.

Is RT above or below 1.0?

Where direction is RT trending?

When did RT cross above or below 1.0?

Look for spots on the graph where RT crossed below 1.0.
Read the Graphs

When the price falls below the VectorVest Stop price, it will automatically receive a SELL recommendation.

This is our line in the sand — ignore it only at your own risk.
The homepage reads just like the front page of a newspaper. Market analysis is the headline story.

The Market Timing Gauge will tell you when it is okay to buy stocks.

Red is Bearish
Yellow is Transitional
Green is Bullish

Think of the Color Guard as a traffic light...

Driving
Stop. Wait for a green light to proceed.
Caution. Proceed only if there is no danger.
Proceed. Watch for potential obstacles.

Investing
Stop. Do not buy. Conditions are not favorable to proceed.
Use caution. Buy only if we advocate buying and the market is rising.
Proceed. It is safe to buy with little worry.
Heed the Color Guard

There is no need to worry about interpreting the color guard. We do it for you.

The Market Timing Gauge provides a textual synopsis.

The Color Guard is a daily history of the information shown in the Market Timing Gauge.

The Daily Color Guard Report in the Strategy section is a video providing specific guidance for both prudent and aggressive investors. Clicking on the report icon will launch the video. Our market summary and guidance will appear in the box.

Just keep it simple — it’s OK to buy stocks when you see a green light at the top of the Price column when the market is still rising.
Heed the Color Guard

1. Represents the PRICE of the VectorVest Composite (VVC)
   VVC is the average price of the stocks we track. It is the primary indicator of the market’s direction.

2. RT (Relative Timing of the VVC)
   Shows the short term trend of the market. RT is on a 0 – 2 scale.
   RT > 1 indicates the short term trend of the market is up.
   RT < 1 indicates the short term trend of the market is down.

3. BSR (Buy/Sell Ratio)
   Ratio of stocks with a Buy recommendation to stocks with a Sell recommendation in the VVC. This relationship is extremely important in determining the overall health of the market.

4. MTI (Market Timing Indicator)
   Combines the trends of the VVC Price, RT, and BSR into a comprehensive indicator. Identifies the underlying or long term trend of the market.
   MTI is on a 0 – 2 scale.
   MTI > 1 indicates the underlying trend of the market is up.
   MTI < 1 indicates the underlying trend of the market is down.

5. Displays both the short-term & long-term TREND of the market
   The short term trend (also called the primary wave) is based on the price of the VVC compared to where it was five trading days earlier. The long term trend is based on whether the MTI is above or below 1.0.

6. Displays our current Confirmed Market CALL

For more detailed information on the Color Guard, view our Color Guard Special Report.

Click Views, click Special Reports, and Double-Click Color Guard.
Heed the Color Guard

Before you buy, consult the *Color Guard* for the most recent day. It will tell you whether VectorVest advocates buying, using caution, or not buying.

<table>
<thead>
<tr>
<th>Price</th>
<th>RT</th>
<th>BSR</th>
<th>MTI</th>
<th>Trend</th>
<th>Call</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.12 (Y)</td>
<td>1.08 (G)</td>
<td>2.89 (G)</td>
<td>1.58</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>26.15 (Y)</td>
<td>1.07 (Y)</td>
<td>2.71 (Y)</td>
<td>1.58</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>26.01 (Y)</td>
<td>1.07 (Y)</td>
<td>2.61 (Y)</td>
<td>1.57</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>25.91 (R)</td>
<td>1.05 (Y)</td>
<td>2.46 (Y)</td>
<td>1.56</td>
<td>DnUp</td>
<td>C/Up</td>
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<td>25.95 (Y)</td>
<td>1.07 (Y)</td>
<td>2.69 (Y)</td>
<td>1.57</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
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<td>25.69 (Y)</td>
<td>1.04 (Y)</td>
<td>2.42 (Y)</td>
<td>1.57</td>
<td>DnUp</td>
<td>C/Up</td>
</tr>
<tr>
<td>26.15 (G)</td>
<td>1.09 (Y)</td>
<td>3.13 (G)</td>
<td>1.64</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
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<td>26.02 (G)</td>
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<td>C/Up</td>
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<td>26.08 (G)</td>
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<td>3.29 (G)</td>
<td>1.65</td>
<td>UpUp</td>
<td>C/Up</td>
</tr>
</tbody>
</table>

Green means it is safe to buy stocks.

Red means it is not safe to buy stocks.

Yellow means you should look at the advice in the gauge. It will either advise not to buy stocks or to use caution when buying.
Finding Stocks ‘What to Buy’

The Stock Viewer is your entrance into VectorVest. It analyzes, sorts and ranks over 8,000 stocks and gives a Buy, Sell or Hold recommendation on every stock, every day. Stocks with the best combination of Value, Safety and Timing, VST-Vector, automatically appear at the top of the Stock Viewer screen.

To find your stocks, simply type a stock name or ticker symbol in the Find Symbol(s) field shown above. You can search for one or multiple stocks at a time. VectorVest considers columns 1-15 to be the fingerprint of a stock. Even if you know nothing about the company, by reading these indicators, you will have an idea what the company does, the exchange it trades on, what the price is, whether it’s over or under valued, its long term potential, how safe it is, and whether the price is in an up or down trend.
Finding Stocks ‘What to Buy’

The best place to start researching potential new stocks is the Stock Viewer. The stocks with the best combination of Value, Safety and Timing automatically appear at the top. We put great stocks at your fingertips every single day.

Graph the top stocks to help determine which stocks you would consider buying.
Graphing the top VST stocks is a great way to do additional research and determine which stocks to buy, because we know they are already above their 40 day MA, above their stop price, and have RTs above 1.0.

Earnings is the engine that drives stock prices higher. We provide a leading 12 month forecasted Earnings (EPS) — it is like a flashlight into the future!

To add or remove graph features, click on the checkboxes.

For instance, remove RT by clicking the checkbox next to RT. Then add EPS by clicking the box next to EPS to add the check.
Finding Stocks ‘What to Buy’

Favor stocks with smooth steady increases in price and earnings.
Make a list of the stocks you like.
Purchase stocks only when the market is rising and when the stock price is rising.

**TIP:** If you look at a graph for more than a few seconds and you still aren’t sure whether you like it, move on to the next graph. You will find one that looks good.
Earnings consistency and predictability are the key factors in assessing the risk involved in buying a stock.

**Favor High RS (Relative Safety) stocks** to select the safest stocks to buy. It’s your best indicator for long-term performance.

**TIP:** Note how straight the EPS portion of the chart appears. It’s so straight, you could put a ruler on it to extend the EPS line. It’s these “Ruler Stocks” that are the safest to buy—High RS Stocks.
Turbocharge your ETF portfolios by favoring ETFs with High RT and High CI values.

CI (Comfort Index) is an indicator which reflects a stock’s ability to resist severe and/or lengthy price declines. When used in combination with RT (RT*CI), the ETFs at the top of the list display consistently rising price trends. A perfect ETF selection for a rising market.
The **Midas Touch WatchList** identifies the stocks in the strongest uptrends.

In a rising market, when you see a green light at the top of the Price column in the Color Guard, favor stocks in the Midas Touch WatchList.

**TIP:** Midas Touch stocks can experience explosive rallies, however, when they lose favor, they can also fall quickly. Place stop-loss orders to protect profits, one like VectorVest’s unique ProfitLocker, to ‘lock-in’ your gains.