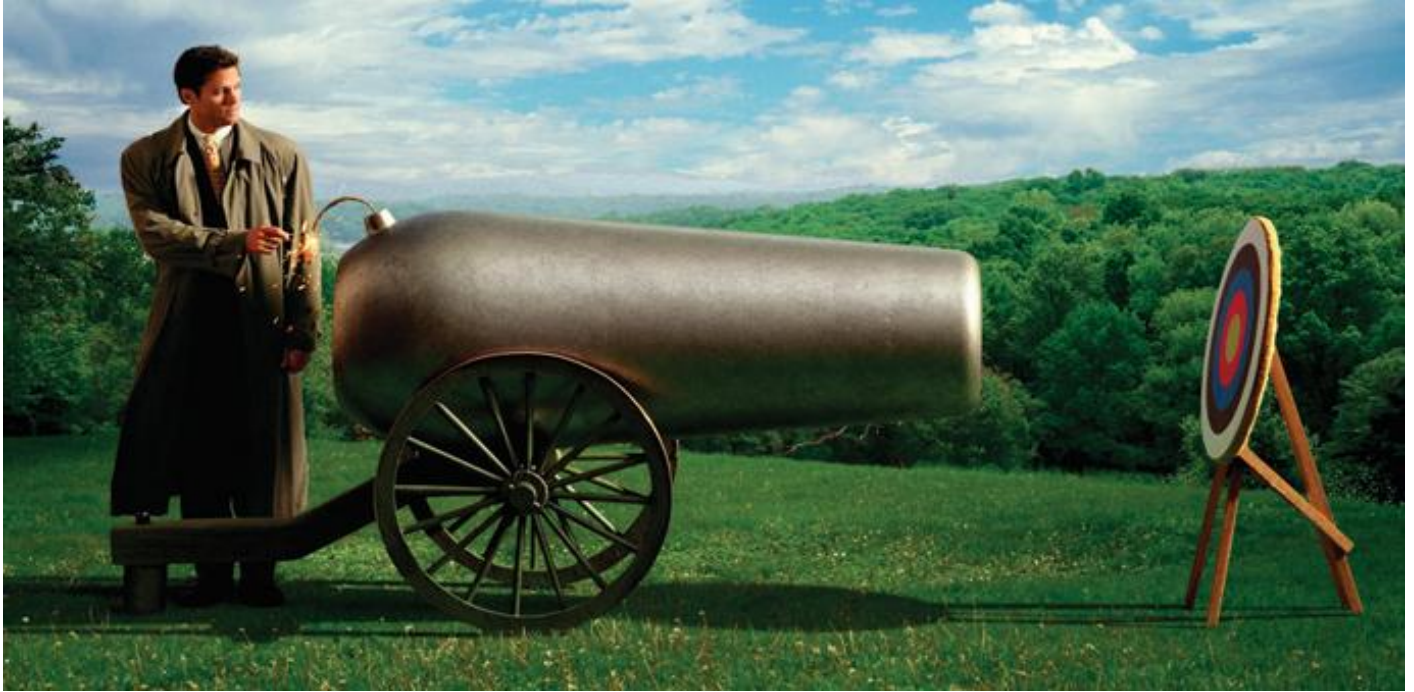


VectorVest 7 Canada

THE SURE-FIRE SUCCESS USERS

GUIDE



Sure-Fire Success Trading System

User's Guide

Welcome to Sure-Fire Success, a trading-system that makes it easier than ever to make money in the stock market. Through thousands of historical tests, this system has been shown to consistently and dramatically outperform the TSX by providing quick, precise answers for when to buy, what to buy and when to sell. This is by far, the most impressive trading system that VectorVest has developed in more than 25 years of stock market experience. So, if this market has shaken your investing confidence, don't throw in the towel just yet — you've never been closer to 'Sure-Fire Success'.

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Sure-Fire Market Timing with the GLB/RT Kicker

The most reliable way of making money in the stock market is to buy low and sell high. VectorVest has found that the most reliable way of buying low and selling high is to buy stocks in rising markets and selling stocks in falling markets. The Color Guard, found on VectorVest's home page, vividly shows when the market is rising on a week-over-week, as well as a day-over-day basis, with a 'green light' in the price column.

Of course, not all green lights are created equal. The very best time to buy is when the market is *rising from a bottom and gaining momentum*. This is when stocks are at their lowest price (and lower risk) and it's a great time to go bottom-fishing and bargain hunting. Over the years, VectorVest has found that buying stocks on the first 'green light' after a Confirmed Market Down signal¹ is an excellent way to buy as close to a bottom as possible, but you still need to make sure that momentum is picking up too. That's where VectorVest's proprietary Relative Timing (RT) indicator comes in.

Relative Timing uses a sophisticated mathematical algorithm to analyze and track changes in price momentum that are difficult, if not impossible, to catch just by watching a security's price. **Amazingly, this indicator can 'sense' impending changes in price direction.** When price movement is speeding up, RT rises, when it's slowing down, RT falls. Because this indicator is so quick to detect changes, a 5 and 25-day moving average of RT is applied to 'confirm' momentum is indeed improving when a 'green light' shows up. VectorVest refers to this as the 'RT Kicker'. When the light is green and the 5-day RT moving average has crossed above the 25-day RT moving average – Bingo! We have the opportunity we've been waiting for to buy stocks.

But what about when a rally runs out of steam? This knowledge is even more crucial. Price can continue going up, luring investors to keep buying all the way up to the edge of a very steep cliff. **How do you know when it's too late to buy?**

Just as RT recognizes when momentum is building, it's also able to spot when the rate of price increase is slowing down well before the end of an uptrend. So even if there is a 'green light' (because the market is deceptively moving higher) the RT Kicker knows the difference and gives a signal to remain neutral². Should market conditions worsen, VectorVest then issues a Confirmed Market Down Call, alerting investors to consider exiting their positions³.

All of this information – every Up, Down and Neutral signal – can be instantly displayed on any VectorVest Graph. **The work has already been done for you**, simply select GLB/RT Kicker from the timing markers at the bottom of the chart window. A green triangle means it's okay to buy stocks, a yellow circle shows you when it's time to remain neutral and a red triangle tells you when the trend is over and it's time to sell.

Figure 1



VectorVest Market Timing Graph and the GLB/RT Kicker Signals 11/24/11-11/1/12..

As illustrated in Figure 1., the GLB/RT Kicker provides an unparalleled way of analyzing market momentum and answering the question of when to buy stocks and when to sell.

Up signals are given when:

1. A Green Light is signaled in the Price column of the Color Guard.
2. The Relative Timing (RT) kicker is established when the following condition occurs while analyzing the VectorVest Composite (VVC/CA): 5-Day RT SMA > 25-Day RT SMA.

Down signals are given when:

1. The confirmed call becomes C/Dn

Neutral signals are given when:

1. There is not a Green light signaled in the Color Guard Price column OR the 5-Day RT SMA \leq 25-Day RT SMA
2. The confirmed call did not become C/Dn

The RT Kicker Combo: Making Money in Both Up AND Down Markets

Take a moment and try to picture the market as a great ocean -- your portfolio is just a small boat drifting on the tide. If you want to get anywhere, it makes a lot more sense to go with the tide, rather than against it, right? Unfortunately, some investors try to fight the tide which can push their portfolio back years in terms of value.

Preventing this type of setback requires investors to become multi-directional; buying stocks when the market is rising and short-selling or buying contra etfs when the market is falling. This flexible 'trend-following' style of trading delivers two BIG benefits: it can help you keep your portfolio growing no matter what happens in the market *and* it can help you reduce your overall risk.

VectorVest created the RT Kicker *Combo* Timing System to help you successfully take advantage of both sides of the market – uptrends, as well as downtrends. This spin-off of the original RT Kicker adds a bearish twist to identify more downside opportunities. When the Color Guard's Price 'light' turns red and the 5-day RT moving average has crossed below the 25-day average, the RT Kicker Combo gives a down signal and a red triangle appears above price on the Market Timing Graph (select the RT Kicker Combo at the bottom of the graph to display the signals). Up and Neutral Signals are the same as the GLB RT Kicker).

Figure 2



VectorVest Market Timing Graph and the RT Combo Signals 11/24/11-11/1/12.

Up signals are given when:

1. CG Price = 'G' (Green)
2. 5 day MA(RT) > 25 day MA(RT)

Down signals are given when:

1. CG Price = 'R' (Red)
2. 5 Day MA(RT) < 25 Day MA(RT)

Neutral signals are given at all other times

A Smooth Transition

As the market struggles to turn the tide and reverse the trend, volatility often increases. The market surges forward and crashes back in short choppy waves that are enough to make you want to abandon ship. This is where the right money management techniques can make a big difference. Rather than closing all positions every time a new timing signal appears, our studies have shown that 'hedging' provides a much smoother transition from one trend to the next. Hedging, simply means that you have both bullish and bearish positions open at the same time. For example, as a rally comes to an end and the down signal appears, you will begin to replace the stocks you own by selling short or buying contra ETF's – *but this replacement only occurs when a stock's stop-loss has been met*. While it is *possible*, it's unlikely that all of your positions will need to be replaced on the same day which will ideally 'ease' your portfolio into the new trend as it develops and strengthens.

Sure-Fire Combo Trading Systems

VectorVest conducted their research and testing to identify the perfect pairing of bullish and bearish stock searches to use with the RT Kicker Combo. When put to the test, this pair produced an incredibly smooth equity curve and extraordinary gains.

Sure-Fire Stock Selection

Now that you know when to buy and when to sell, it's time to find out *what* you should buy and sell. Selecting from hundreds, let alone thousands, of stocks can be an overwhelming, time-consuming, pain-in-the-keester — but not with the Sure-Fire System.

VectorVest has conducted more than 4,000 historical portfolio tests to reveal which automatic stock scans provide the most consistent and profitable results year after year. Combined with the RT Kicker Combo and reasonable stop-losses, the scans that VectorVest has identified show an astonishing 69% annualized rate of return — even during some of the worst market conditions investors have ever faced! Better yet, **these stock scans have demonstrated the ability to outperform the TSX year after year.**

Figure 2. Portfolio Results – High/Low Based Stops (12/28/07 – 12/20/12)

Stock Scan Name (Strategy)	Total %Gain/Loss	ARR%
VST Mighty Mites/ Hindenburg Stocks/CA	387.94%	77.90%
S&P/TSX Comp (PTSE)	(-10.37%)	(-2.08%)

Each of these stock scans uses a variety of powerful proprietary indicators that combine fundamental and technical aspects of a stock to target the best candidates for your portfolio. These searches can be accessed from VectorVest's scanning tool, UniSearch. In the UniSearch section of the VectorVest program, you'll actually find over 200 pre-set stock scans, but these particular searches are located in the group – 'Searches – RTCombo Pairs'.

Each scan already has specific conditions set up and will search more than 3,500 stocks to deliver only the ones that meet the search parameters. All of the results will be ranked from best to worst, making your decision making a breeze. **It's as easy as clicking the 'Run' button to have your 'Sure-Fire' stock selections appear in seconds.**

Sure-Fire Money Management

The hardest decision is knowing 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, but no trading system would be complete without sensible money management. Setting stop-losses helps you take profits and limit downside risk.

When setting stop-losses, it’s important to choose the right combination for the stocks you’re trading. A poor ‘fit’ can turn would-be winners into discouraging disasters. Here again, **VectorVest was able to ascertain the optimal combination of gain/loss for each stock scan based on extensive research and historical testing.**

Figure 3. (Intraday High/Low Price) Stops

Stock Scan	Gain	Loss
VST Mighty Mites	20	5
Hindenburg Stocks/CA	20	5

VectorVest 7’s Backtester tool was used to perform these tests to judge the effect of using the more volatile price-action that occurs during market hours to determine when the stop-loss/gain had been reached. (All stock positions were sold at the next day’s open price.)

Achieving Sure-Fire Success

When intelligent money management is paired with great stock selection and accurate market timing, you have a complete trading system that will help you take control of your portfolio to achieve your investment goals with confident assurance. That’s what the Sure-Fire Success Trading System has been designed to do, but don’t take our word for it, use this guide to test it for yourself (historically as well as going forward) completely risk-free.

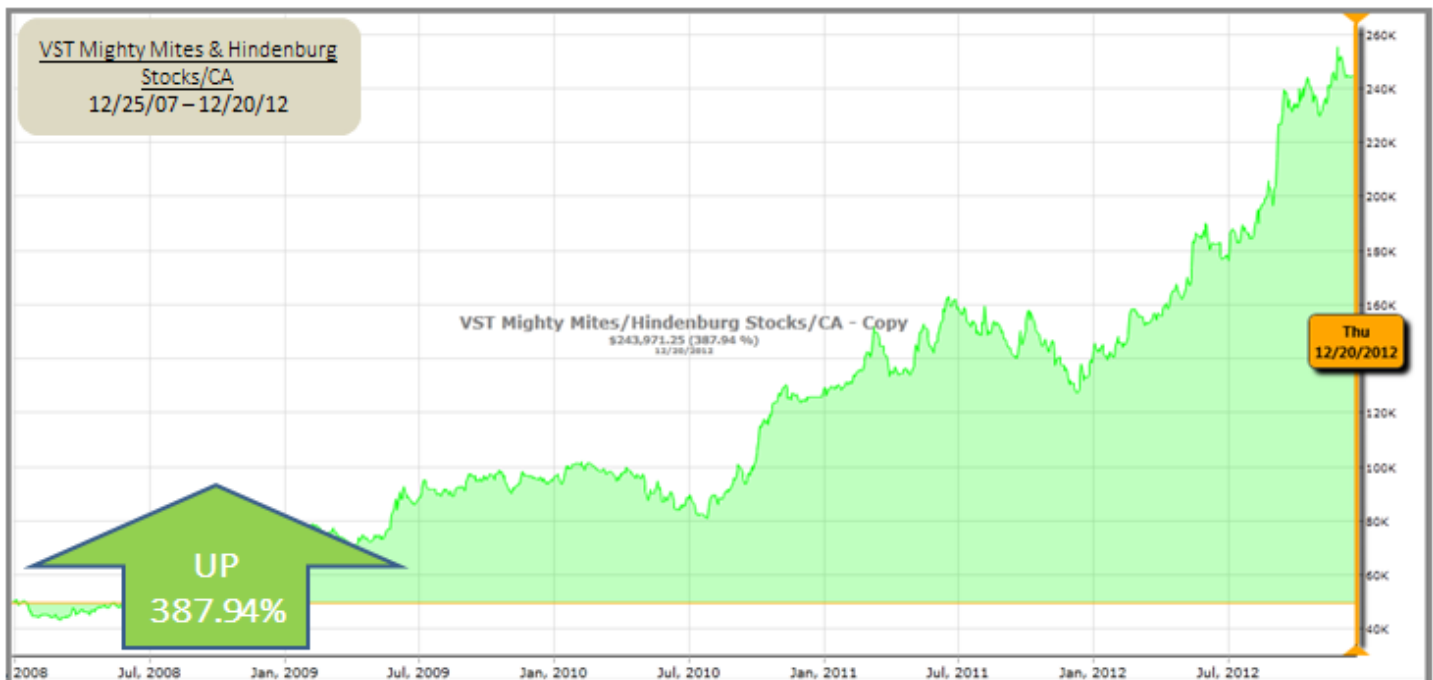
RT Kicker Combo Trading Systems

(Long & Short)

RT Kicker Combo: Sure-Fire Success with VST Mighty Mites & Hindenburg Stocks/CA Performance

Up Search: VST Mighty Mites. This search finds low priced stocks with good fundamentals that have been beaten down in price. The sort will bring stocks with a low RT but a relatively high VST and GPE to the top of the list.

Dn Search: Hindenburg Stocks/CA. This search finds stocks between \$10 and \$20 with an Average Volume of 100,000 shares. The key to this strategy is the sort RV/RT Asc. This sort will find stocks with below average fundamentals that are moving fast right now. These stocks have the tendency to fall very quickly in a down trending market.



VectorVest 7 Backtest Settings:

VST Mighty Mites/Hindenburg Stocks/ CA

Account Settings:	
Initial Investment:	\$50,000
Commission:	\$9.95 per trade
Margin:	Don't Use Margin
Interest:	Don't Account for Interest
Place Trades At:	Next Day's Open
Market Timing:	
	RT Kicker Combo
Automation Rules (Up):	
Direction:	Buy Long
Search:	VST Mighty Mites
Stop Criteria:	20% Gain/5% Loss
Simulate Intraday Stops:	YES-Box Checked
Optimum Number Of Positions To Hold:	5
Automatically replace closed positions:	YES-Box Checked
When opening new positions:	Try to open 1 positions per day
When entering this situation:	Don't close any open position
Amount To Spend When Replacing Positions:	Invest average portfolio value
Lots:	Odd Lots
Limit repurchases:	Don't repurchase the same stock for 1 day after sale.
Don't buy if stock violates stop criteria at purchase	YES-Box Checked
Max Stocks Per Industry:	N/A
Max Stocks Per Sector:	N/A
Max % Average Volume:	10%
Automation Rules (Down):	
Direction:	Sell Short
Search:	Hindenburg Stocks/CA
Stop Criteria:	20% Gain/5% Loss
Simulate Intraday Stops:	YES-Box Checked
Optimum Number Of Positions To Hold:	4
Automatically replace closed positions:	Yes-Box Checked
When opening new positions:	Try to open 2 positions per day.
When entering this situation:	Don't close any open position
Amount To Spend When Replacing Positions:	Invest average portfolio value
Lots:	Odd Lots
Limit repurchases:	Don't repurchase the same stock for 1 day after sale.
Don't buy if stock violates stop criteria at purchase	YES-Box Checked
Max Stocks Per Industry:	N/A
Max Stocks Per Sector:	N/A
Max % Average Volume:	10%
Automation Rules (Neutral):	
Direction:	No Action
Test Period:	
	12/28/2007 – 12/20/20012
Name/Description:	
	VST Mighty Mites/Hindenburg Stocks/ CA

Real-Time Trading with Sure-Fire Success

Sure-Fire Success Going Forward (Paper-trading)

Now that you've seen what Sure-Fire Success can do historically, it's time to move it into the future by 'paper trading' with the VectorVest 7 Portfolio Manager. Paper trading (even though it's done without any paper at all) lets you practice your trading system without risking a penny until you are 100% convinced the Sure-Fire Success Trading System will work for you.

RT Combo Users/Up & Dn

A. Begin to buy or short stocks based according to the current signal. Prepare to buy stocks when there is a green light in the Price column of the Color Guard AND a green triangle appears beneath the current day's Price bar on the Market Timing Graph set using the RT Combo markers. Prepare to short stocks when there is a red light in the Price column of the Color Guard AND a red triangle appears above the current day's Price bar on the Market Timing Graph set using the RT Combo markers.

B. To find your stock selections, use the pair combinations suggested on page 7. Searches are located in the Searches - RT Combo Group in the UniSearch Tool. Select from the highest ranked stock or stocks you don't already have. We recommend the top 5 stocks.

C. Close your positions to lock in profits and/or to limit losses only when your stop-loss is met. The gain/loss that we've found to perform best can be found on page 8. Replace the stock according to the current signal.

Useful Resources

Strategy of the Week Videos:

10/5/12	Digging For Gold With The GLB/RT Kicker
11/02/12	RT Kicker Combo
11/09/12	RT Kicker Combo II
11/16/12	RT Kicker Combo III
12/07/12	The Wizard Is Coming
12/14/12	Going Forward With Sure-Fire Success
12/21/12	Another Way To Make Money With Sure-Fire Success
12/28/12	Striking Gold With Gold Digger

Call us — we want to help!

VectorVest Customer Support Toll-free: 1-888-658-7638
Monday - Friday 24 hours/day ET, Saturday 9:00AM - 5:00PM ET

Special Notations

Page 1. Note 1. A Confirmed Down Call is signaled when the price of the market has moved down week-over-week for two consecutive weeks, the price of the market has crossed below its 65-day Moving Average and the Market Timing Indicator (MTI) has moved from above 1.00 to below 1.00. As a final factor, the price of the market must also close lower than the previous day.

Page 2. Note 2. Neutral signals that current positions should be managed with stop-losses and no new purchases should be made.

Page 2. Note 3. All investors must ultimately make their own decisions on the best course of action for their portfolio. VectorVest has no knowledge of an investor's personal circumstance and does not provide individual investment advice.

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