

# VectorVest

## How to Build a Winning Stock Portfolio

11:45 AM – 12:30 PM

# How to Build a Winning Stock Portfolio

“Good portfolio management starts with buying the right stocks.” ~ *Dr. Bart Diliddo*



1992 Olympic Dream Team

# How to Build a Winning Stock Portfolio



# How to Build a Winning Stock Portfolio

Basic risk management tactics are essential to  
achieve consistent success!

# How to Build a Winning Stock Portfolio

## Risk Management Guidelines to build a Winning Stock Portfolio:

1. Buy Stocks in Up Waves, Sell or Protect Stocks in Down Waves
2. Use a Dollar-Weighted System.
3. Hold 10 to 20 Stocks.
4. Don't risk more than 1-2% per trade.
5. Don't Ignore Sell Recommendations

# How to Build a Winning Stock Portfolio

## 1. Buy Stocks in Up Waves, Sell or Protect Stocks in Down Waves

Pick the Market Timing System that best suits both your investor temperament and profit objectives

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## 2. Use a Dollar Weighted System

Invest evenly into each position and make any new purchases at the average value of the current positions.

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## 3. Hold 10 to 20 Stocks

Diversify in how many stocks you buy to help manage risk!



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4. Don't risk more than 1-2% per trade.

Use stop-losses to help manage risk and avoid catastrophic losses!

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## 4. Don't risk more than 1-2% per trade.

$$S = (100 * R * N) / C$$

Where

S = Stop-Loss Percent.

R = % Risk on any single position.

N = Number of positions, and

C = Percent of Capital employed.

We prefer to keep **R**, the percent risk of loss on any single position, equal to **1%** when you are getting started. So, with **10** positions and **100%** of our capital invested, we can afford using a **10% Stop-Loss**.

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## 5. Don't Ignore Sell Recommendations!\*

\* Use a Hold Recommendation as an early warning to watch closely.

# How to Build a Winning Stock Portfolio

## Portfolios

Allow you to paper trade and/or monitor your existing stock portfolios.

# How to Build a Winning Stock Portfolio

Let's build a portfolio of high Relative Safety stocks that follow all the guidelines we just covered to manage risk effectively.

# How to Build a Winning Stock Portfolio

Portfolios can be paper traded manually or by using  
*Portfolio Automation*.\*

\* To enable Portfolio Automation click 'Manage Portfolio' then select 'Set Portfolio Automation' for 'Long' or 'Short' positions.

# How to Build a Winning Stock Portfolio

## **Various Portfolio Reports**

Transaction Log

Summary Report

Diversification Graph

Trade History

# How to Build a Winning Stock Portfolio

VectorVest has everything you need to build and manage  
a winning stock market Portfolio!