

INDICATOR & MODEL NAMES



DELTA-V — LONG-TERM

The DELTA-V indicator emerged from statistical assessments of price actions, leveraging multiple technical indicators to delineate the market's bullish and bearish periods. It aims to illuminate the dynamics between supply and demand within the extended time-frame of months to years. These inputs undergo recalculations daily across a trailing one- year period, with the resultant ratios being weighted and amalgamated into a singular, statistically smoothed DELTA-V indicator. When DELTA-V, in a Bull Market mode, breaches the Bear Market Threshold (45), it signifies a shift to Bear status. Conversely, in a Bear Market mode, piercing the Bull Market Threshold (55) triggers a shift to a new Bull status. Once a Bull or Bear mode is indicated, it persists until the DELTA-V indicator eventually breaches the opposite threshold. Typically, it requires months to years for DELTA-V to change its designated status.

The name "DELTA-V" alludes to the indicator's measure of the market's capability for significant directional changes, much like the propulsion required for altering the trajectory of a spacecraft in the vast expanse of space.

GALACTIC SHIELD — MEDIUM-TERM

Designed to act only at quarterly intervals, GALACTIC SHIELD (medium-term) is a quarter-by-quarter assessment of the potential risk environment, employing the trend status of several U.S. and international exchange traded funds. Utilizing our proprietary algorithm of bull-trend and bear- trend, if the MAJORITY of ETFs representing U.S. domestic asset classes OR international ETF's are determined to be in an uptrend at the end of a quarter, GALACTIC SHIELD is bullish for the next quarter. Conversely, if BOTH the majority of ETFs representing the U.S. and international markets are in a downtrend, GALACTIC SHIELD is bearish for the following quarter.

"GALACTIC SHIELD" acts as a celestial safeguard, akin to a shield defending a spacecraft, evaluating the trends of exchange traded funds at quarterly intervals to navigate and shield against potential market risks encountered during the journey through financial landscapes, mirroring the role of a shield in space exploration.

STARPATH — LONG & SHORT-TERM

The STARPATH indicator determines the 'balance of strength' within the market by examining the ebb and flow of strength across multiple market segments. STARPATH combines short and longer-term time-frames, enabling quick reactions to market changes while retaining the ability to follow trends for extended periods. It rates the strength of each market segment daily by comparing shorter-term moving-average performance with longer-term moving-average performance, known as M.A.D. or Moving-Average Distance.

These ratings are ranked and then compared to a cash-equivalent ETF 'BIL' the SPDR 1-3 month T-bill ETF. When the number of market segments ranked superior to BIL/Cash increases, the STARPATH indicator is positive, indicating a shift in the balance of strength towards positivity. Conversely, if the number of market segments ranked above BIL/Cash decreases, the STARPATH indicator is negative, signifying a shift in the balance of strength towards negativity. If there is no change in the number of market segments ranked as superior to BIL/Cash on any given day, the StarPath indicator remains unchanged.

The market segments analyzed by STARPATH are:

- The 9 Styleboxes (LargeCap Growth, SmallCap Value, etc.); plus
- Dow Jones 30 Industrials
- NASDAQ 100
- Russell 3000
- Consumer Cyclical Sector
- Financials Sector
- Industrials Sector
- Technology Sector

We selected the four equities sectors for their 'pro-cyclical' characteristics as they exhibit tendencies to strengthen and weaken in correlation with the economy and overall market cycles. Sectors such as Utilities, Energy, and Consumer Non-Cyclical, which tend to behave counter-cyclically, have been excluded.

The name STARPATH resonates with the indicator's ability to navigate through various market segments, akin to charting a path among stars, illuminating, and guiding the way through the market's shifting strengths and trends.

STARFLUX — SHORT-TERM

The STARFLUX indicator is an advanced tool for financial market analysis, enhancing investment decisions by integrating trend-following indicators with volatility measurements to adeptly navigate market volatility. It expands its analytical capabilities by incorporating standard deviations of price history and a moving average filter, utilizing a broad spectrum of technical analysis tools. The core of STARFLUX lies in the meticulous calculation and optimization of its core trend indicator, anchored by ATR-adjusted upper and lower bands to dynamically reflect market conditions. This calculation facilitates the identification of resistance and support levels through conditional coloring, aiding in the determination of strategic entry and exit points. Buy signals are triggered when the closing price surpasses both the STARFLUX upper trend line and its lower standard deviation band, whereas sell signals are activated when the price drops below these markers. Enhanced with visual cues for immediate signal recognition, the STARFLUX indicator concludes with a focus on data visualization, making it a comprehensive tool for investors aiming for precision and efficiency in their market analysis.

The name STARFLUX points to the transition between green and red and reflects the dynamic flux inherent in space travel and the shifts within market forces - think Luke & Darth.

ASTROTREND

The ASTROTREND indicator, utilized by the Gold Risk-Managed Model and the Energy Risk-Managed Model, operates by relying solely on price action as its input. It determines the strength of a trend by analyzing the deviation of price action from the calculated forward trajectory of the current up-trend or down-trend. A positive deviation above the trend trajectory signifies higher trend strength, while a negative deviation below the trend trajectory indicates lower trend strength. The indicator identifies a change in trend when the trend strength value crosses the zero line, shifting from negative to positive for a new positive trend or from positive to negative for a new negative trend. The calculation of the indicator trend change is conducted on a weekly-close basis.

The name ASTROTREND reflects the indicator's essence, aligning it with a celestial metaphor as it observes and tracks the shifts in trend dynamics, akin to celestial bodies altering their trajectories in the vast universe of financial markets.

SPL MODEL NAMES

MODEL / BLEND NAME

Breakaway Stocks S&P 500

Breakaway Stocks Russell 1000

Optimum Equity Portfolio

DELTA-V

DELTA-V w/STARPATH

DELTA-V+CALENDAR w/STARPATH

DELTA-V+CALENDAR

CALENDAR Effects

Star Min/Max 10/30

Star Min/Max 20/60

Star Min/Max 30/90

Star Min/Max 0/100

Buy/Replace

Buy/Replace w/STARPATH

Sector Rotation

Sector Rotation II

Long/Cash

Harmony 1

Harmony 2

Harmony 3

Harmony 4

Sector II Long/Short+CALENDAR w/DELTA-V

Sector II Long/Double Inverse+CALENDAR w/DELTA-V

Risk Managed Energy+DELTA-V+CALENDAR

Risk Managed Energy+Optimum Bond

Risk Managed Energy+Sector Rotation II

Risk Managed Gold+Sector Rotation II

Risk Managed Gold+Optimum Bond

Multi-Sector Bond

Optimum Market Bond

Sector Rotation Leveraged

Long/Sector II

Long/Short

Long/Short+Sector II

Risk Managed Gold+DELTA-V+CALENDAR

SPL RANKING METHODOLOGY

All portfolios, except for the 3 stock portfolios and risk-managed Gold and Energy, are made up of the 26 symbols/components on the market snapshot of our SLS subscription. The candidates are ranked using a blend of two proprietary algorithms. The components are ranked first on an 'absolute' basis - are they (by our definition) in a bull-trend or a bear-trend? Second, they are ranked on a 'relative' basis. Academic studies classify our performance-based ranking as 'momentum', and the ranking methodology 'relative strength'. Higher ranked candidates are selected for inclusion in portfolios, usually ranging from 1 to 3 months between new selections.

MOVING AVERAGE DISTANCE (M.A.D.)

When applied, M.A.D. resembles a navigation process, where the nearer-term moving average diverges from the farther moving average, akin to exploring different trajectories.

This approach is utilized in the Sherman Portfolios S&P 500 and Russell 1000 stock selections for the Breakaway Stock Models, signifying the exploration of unique pathways within financial strategies.