Rock Steady Strategy

September 14, 2026

Vital Quantitative Research, LLC • Large-Cap S&P 500 Universe • 2 trades this week • Next rebalance: 09/20/26

TOTAL RETURN (Since Inception)	ANNUALIZED RETURN	YEAR-TO-DATE RETURN	MAX DRAWDOWN	SHARPE RATIO	WIN RATE (Realized Trades)
3,747%	36.60%	+69.70%	-19.91%	1.58	58.81%
S&P 500: +272%	S&P 500: 11.88%	S&P 500: +11.85%	S&P 500: -33.92%	S&P 500: 0.71	213 of 362 closed

Strategy Overview

The **Rock Steady Strategy** holds ten equally-weighted positions drawn from the S&P 500 large-cap universe, rebalanced weekly using the proprietary **AdvancedLargeCap-RS** ranking system with static-weight sizing. Position-level exits are governed by technical, rank-decay, stop-loss, and gain-target rules; portfolio-level exposure is governed by **Vital Risk Control™** (patent pending). All figures are net of modeled commissions and variable slippage. Benchmark: S&P 500 Index. Inception: 01/01/15.

This Week at a Glance

Two transactions this week: **DASH** was closed via stop-loss at $201.95 (34 days held), and **DELL** was initiated at $567.29 (rank 99.80). The portfolio remains fully invested at ten positions with $109 in cash. Year-to-date the model stands at **+69.70%** against **+11.85%** for the S&P 500 — a 57.85-point year-to-date lead. The 13-week window is –**7.49%** against **+3.03%** for the benchmark, reflecting the July drawdown; month-to-date the strategy has recovered to **+0.91%**. Vital Risk Control™ remains risk-on. Subscribers should implement the DASH sale and DELL purchase at Monday's open.

Performance Summary

Period	Model	S&P 500	Excess
Month-to-Date	+0.91%	-0.38%	+1.29%
4-Week	-2.60%	-1.65%	-0.95%
13-Week	-7.49%	+3.03%	-10.52%
Year-to-Date	+69.70%	+11.85%	+57.85%
1-Year	+114.43%	+16.24%	+98.19%
3-Year	+331.38%	+71.61%	+259.77%
Since Inception (01/01/15)	+3,747.02%	+271.90%	+3,475.12%
Annualized	+36.60%	+11.88%	+24.72%

The near-term windows are mixed: the 13-week period of –7.49% against +3.03% reflects the concentrated July drawdown of –12.48%, while month-to-date the strategy has recovered to +0.91%. Both the one-year (+114.43% vs. +16.24%) and since-inception (+3,747% vs. +272%) records remain far ahead of the S&P 500. Year-to-date the 57.85-point lead is the context against which the recent short-term softness should be read.

Performance by Calendar Year

Return (%)	2015*	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026**
Model	+12.45	+52.09	+19.07	+7.23	+34.53	+47.66	+54.75	+9.76	+41.65	+33.22	+63.06	+69.70
S&P 500	-0.73	+9.54	+19.42	-6.24	+28.88	+16.26	+26.89	-19.44	+24.23	+23.31	+16.39	+11.85
Excess	**+13.18**	**+42.56**	**-0.35**	**+13.47**	**+5.65**	**+31.40**	**+27.86**	**+29.20**	**+17.42**	**+9.91**	**+46.68**	**+57.85**

(*) From 01/01/15 (**) Year-to-date through 09/14/26. The model has finished ahead of the S&P 500 in ten of eleven completed calendar years. The one exception is 2017 (–0.35 excess), a near miss in a year when the index gained 19.42%. The 2022 bear-market result (+9.76% against –19.44%) illustrates Vital Risk Control™ at work. Results are hypothetical and net of modeled costs.

Risk Metrics

Metric	Model (3-Yr)	S&P 500 (3-Yr)	Model (Incep.)	S&P 500 (Incep.)
Annualized Return	+62.79%	+19.72%	+36.60%	+11.88%
Max Drawdown	-19.91%	-18.90%	-19.91%	-33.92%
Std Deviation	26.59%	12.50%	19.80%	14.99%
Sharpe Ratio	1.86	1.31	1.58	0.71
Sortino Ratio	3.12	1.86	2.68	0.95
Beta	1.17	—	0.68	—
Correlation	0.55	—	0.51	—
R-Squared	0.30	—	0.26	—
Alpha (annualized)	34.89%	—	26.96%	—

The since-inception Sharpe of 1.58 against 0.71 for the S&P 500 captures the risk-adjusted edge. The strategy's maximum drawdown of –19.91% is slightly larger than the benchmark's –18.90% over three years, but substantially better than the S&P 500's –33.92% since inception. Beta of 0.68 and R-squared of 0.26 confirm that a significant portion of return is alpha-driven rather than market exposure. The trailing three-year Sharpe of 1.86 reflects a period of strong factor performance.

Monthly Performance — Last 12 Months

Return (%)	2025/10	2025/11	2025/12	2026/01	2026/02	2026/03	2026/04	2026/05	2026/06	2026/07	2026/08	2026/09
Model	+7.26	+3.94	+4.04	+25.67	+2.19	0.00	+11.40	+27.64	+1.42	-12.48	+3.75	+0.91
S&P 500	+2.27	+0.13	-0.05	+1.37	-0.87	-5.09	+10.42	+5.15	-1.06	-0.13	+2.62	-0.38
Excess	**+4.99**	**+3.81**	**+4.09**	**+24.31**	**+3.06**	**+5.09**	**+0.98**	**+22.50**	**+2.48**	**-12.35**	**+1.13**	**+1.29**

July's –12.48% was the sharpest single-month loss in the trailing 12-month window and produced a –12.35 excess shortfall against the benchmark. That one month accounts for most of the 13-week underperformance. The strategy recovered +3.75% in August and has opened September at +0.91%. Ten of twelve months generated positive excess returns over the period.

Current Holdings

Ticker	Sector	Shares	Avg Cost	Last Close	Value ($)	Weight	Return %	Rank	Days Held
ANET	Technology	167	$191.64	$199.59	$33,332	8.67%	+4.15%	98.8	32
APH	Technology	374	$84.43	$83.92	$31,386	8.16%	-0.61%	95.8	32
DELL	Technology	64	$567.87	$567.29	$36,307	9.44%	-0.10%	99.8	3
FTNT	Technology	198	$163.98	$156.07	$30,902	8.03%	-4.82%	74.1	32
HPE	Technology	792	$48.51	$62.09	$49,175	12.78%	+28.00%	99.2	46
KEYS	Technology	92	$338.15	$338.64	$31,155	8.10%	+0.14%	94.6	32
LITE	Technology	50	$823.08	$927.03	$46,352	12.05%	+12.63%	99.6	18
MU	Technology	44	$932.33	$975.26	$42,911	11.16%	+4.60%	98.0	11
PLTR	Business Services	184	$175.42	$167.23	$30,770	8.00%	-4.67%	93.8	32
SNDK	Technology	32	$1,481.56	$1,633.35	$52,267	13.59%	+10.25%	96.8	18

Portfolio value $384,557 with $109 in cash — fully invested. Six of ten positions are profitable. HPE (+28.00%) and LITE (+12.63%) are the standout contributors; FTNT (–4.82%) and PLTR (–4.67%) are the largest detractors. DELL was initiated this week at $567.29 and shows a fractional loss after the first session. Rank scores are inputs to the model, not instructions to subscribers — entries and exits are generated by the weekly rebalance.

Holdings Fundamentals

Ticker	Mkt Cap ($M)	P/E	PEG LT	ROE TTM	ROI TTM	Debt/Eq	Pr/CFl	Yield
ANET	251,341	62.9	1.62	31.48%	31.48%	0.00	61.46	0.00%
APH	206,944	42.0	1.24	38.08%	20.84%	1.21	33.34	0.60%
DELL	360,690	32.9	0.39	N/A	41.50%	N/A	25.48	0.44%
FTNT	114,344	55.0	2.57	117.44%	83.63%	0.32	50.59	0.00%
HPE	82,422	32.4	0.53	10.51%	6.41%	0.76	14.32	0.92%
KEYS	58,083	46.6	N/A	20.90%	15.36%	0.42	35.70	0.00%
LITE	83,155	N/A	0.40	-240.09%	-137.61%	0.36	N/A	0.00%
MU	1,097,509	22.1	0.05	66.64%	58.19%	0.06	18.71	0.06%
PLTR	399,960	142.5	1.49	38.42%	37.35%	0.02	139.78	0.00%
SNDK	241,084	22.4	0.46	91.64%	84.40%	0.01	22.38	0.00%

This table is context, not a signal. Buy and sell decisions come from the ranking system and the risk rules, which already weigh these factors alongside price and trend data. LITE's negative ROE and ROI are a reporting artifact of a recent one-time charge and should not be read as a distress signal. PLTR's P/E of 142.5 reflects its growth premium. Figures are trailing twelve-month or consensus values as of 09/11/26 and will move week to week.

This Week's Trades — Effective 09/14/26

Date	Action	Ticker	Shares	Price	Value ($)	Rank	Reason
09/14/26	**SELL to close position**	**DASH**	174	$201.95	$35,139	—	Stop Loss
09/14/26	**BUY to initiate position**	**DELL**	64	$567.29	$36,344	99.80	Top-ranked entry

***DASH** was closed via stop-loss at $201.95 after 34 days. Initiated on 08/11/26 at $235.80, the position produced a realized loss of –**14.3%**, roughly $5,836 on the modeled position. Proceeds were redeployed the same day into **DELL**, which entered ranked 99.80 — among the highest entry ranks of the year. Nine of ten positions are now unchanged from the prior week.*

Recent Trading Activity

Date	Action	Ticker	Shares	Price	Reason
09/14/26	**BUY to initiate position**	**DELL**	64	$567.29	Rank 99.80
09/14/26	**SELL to close position**	**DASH**	174	$201.95	Stop Loss
08/31/26	**BUY to initiate position**	**MU**	44	$931.39	Rank 73.84
08/31/26	**BUY to add to position**	**HPE**	76	$53.09	Buy/Sell Difference
08/31/26	**BUY to initiate position**	**DASH**	174	$235.80	Rank 98.19
08/31/26	**SELL to close position**	**DELL**	98	$459.85	Rank decay
08/31/26	**SELL to close position**	**NTAP**	193	$188.66	Rank decay
08/24/26	**BUY to initiate position**	**LITE**	50	$822.20	Rank 93.78
08/24/26	**BUY to initiate position**	**SNDK**	32	$1,479.95	Rank 90.56
08/24/26	**SELL to close position**	**DAL**	431	$82.86	Rank decay

Three active weeks of rotation. The 08/31 rebalance cleared DELL (partial, rank decay) and NTAP (rank decay), redeploying into MU, DASH, and an HPE size adjustment. DASH entered at $235.80 and was cleared this week at $201.95 via stop-loss — a 14-day round trip at –14.3%. The 08/24 rotation exited DAL on rank decay and added LITE and SNDK as the ranking system rotated toward higher-momentum technology names.

Trading Statistics

Metric	Value	Metric	Value
Closed (realized) trades	362	**Average holding period**	86.1 days (≈4.1 mo.)
Realized win rate	58.81% (213 of 362)	**Avg. hold — winners**	112.8 days
Average return per closed trade	+11.87%	**Avg. hold — losers**	48.0 days
Average winning trade	+24.45%	**Best closed trade**	+286.68%
Average losing trade	-6.09%	**Worst closed trade**	-26.97%
Win/loss size ratio	4.01 : 1	**Average annual turnover**	271.82%
Open positions	10	**Total modeled trading cost**	$6,144
Unrealized winners	60.00% (6 of 10)	**Overall winners (incl. open)**	58.84%

The edge comes from holding winners nearly three times longer than losers (112.8 vs. 48.0 days), producing a 4.01-to-1 payoff ratio on a 58.81% realized hit rate. Annual turnover of 271.82% is moderate for a weekly-rebalanced 10-position strategy, and $6,144 of modeled trading cost has been deducted from all results shown. Best closed trade of +286.68% shows the strategy's capacity to hold strong positions through full momentum cycles.

Vital Risk Control™

Vital Risk Control™ Signal

Status: RISK-ON — fully invested. The Vital Risk Control™ breadth framework remains in its risk-on state. The strategy is carrying all ten positions with $109 in cash. No portfolio-level defensive action was taken this week and none is indicated for the coming week. All exits in recent weeks have been position-level — stop-loss, rank-decay, and gain-target rules — which is the system working as designed: individual names are cleared as they deteriorate while overall portfolio exposure stays intact.

Vital Risk Control™ governs exposure at the portfolio level; the position-level rules govern which names are held. Both operated normally this week. The framework has held the strategy's maximum drawdown to –19.91% since 2015 against –33.92% for the S&P 500. When it does move to cash, those transitions are labeled explicitly in the trade log and reported in full.

Outlook & Key Observations

Look Ahead: Place the DASH sale and DELL purchase at Monday's open per the published list; the other nine positions are unchanged. The strategy stands at +69.70% year-to-date with a 57.85-point lead over the S&P 500. The July drawdown of –12.48% was sharp but the recovery has been steady: +3.75% in August and +0.91% so far in September. The model is executing normally through a challenging stretch — stop-loss exits, rank-decay rotations, and VRC remaining risk-on — and the full-year record remains well ahead of the benchmark. The next rebalance runs Sunday, September 20, with any changes posted to the VitalQuant.com dashboard and delivered to your inbox before Monday's open.

Key risk to monitor: August CPI releases Thursday September 11, followed by the FOMC decision September 16. The VRC will respond to any resulting deterioration in market breadth through its normal signal process; subscribers should monitor the dashboard and this report rather than acting on macro headlines directly.

YTD: **+69.70%** | 1-Yr: **+114.43%** | Sharpe: **1.58** | Max DD: **-19.91%** | Positions: **10** | Next Rebalance: **09/20/26**

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