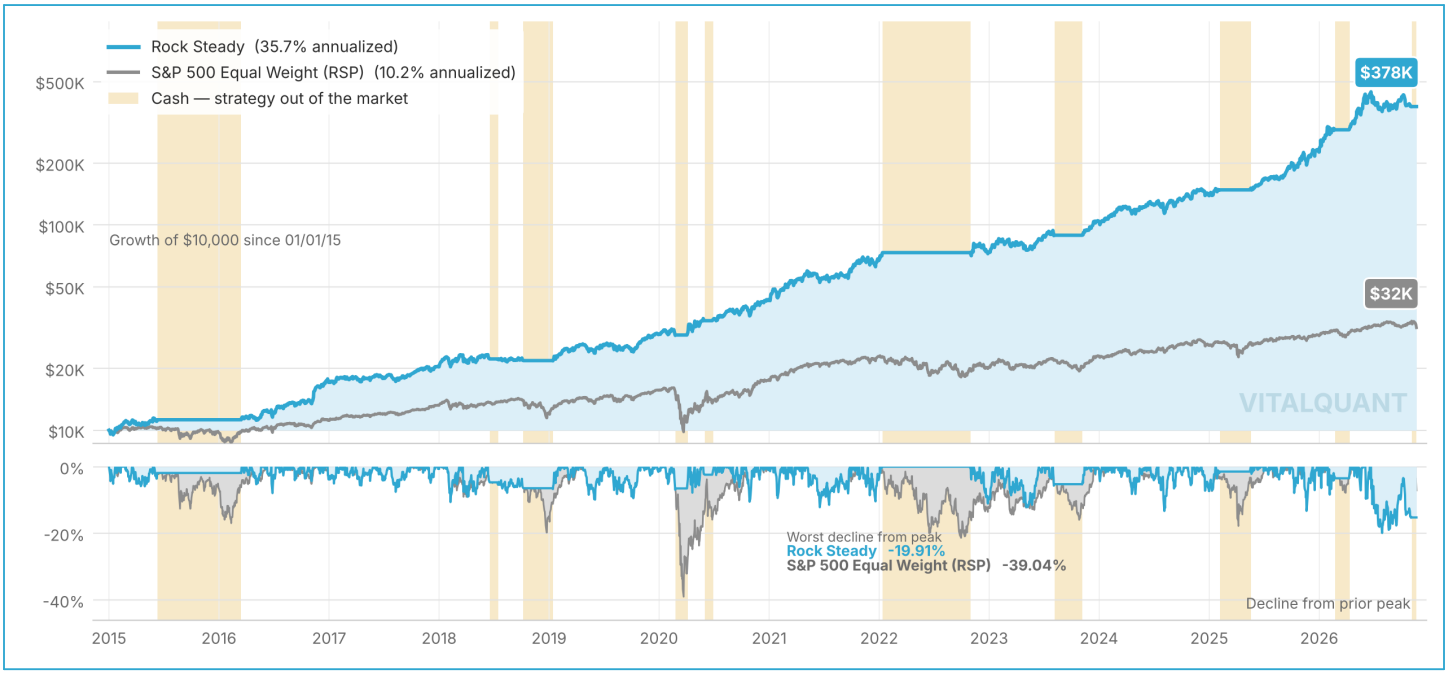
Rock Steady Strategy

November 22, 2026

Vital Quantitative Research, LLC • Systematic S&P 500 Large-Cap

100% cash — risk-off • Next rebalance: 11/28/26

TOTAL RETURN (Since Inception)	ANNUALIZED RETURN	YEAR-TO-DATE RETURN	MAX DRAWDOWN	SHARPE RATIO	WIN RATE (Realized Trades)
3,678.63%	**35.74%**	**66.68%**	**-19.91%**	**1.68**	**58.58%**
S&P 500 EW: +216.01%	S&P 500 EW: 10.17%	S&P 500 EW: +9.58%	S&P 500 EW: -39.04%	S&P 500 EW: 0.46	215 of 367 closed



Growth of $10,000 since inception (01/01/15), logarithmic scale, net of modeled costs including slippage. A log scale is used so that a given percentage move occupies the same vertical distance anywhere on the chart; on a linear scale the early years would be compressed to a flat line and the recent gains exaggerated. $10,000 at inception would be **$377,863** in the strategy against **$31,601** in the benchmark. **The shaded bands mark periods when the strategy held cash**; the line is flat through them, as cash participates in neither market gains nor losses. **The lower panel shows the decline from each prior peak — the clearest picture of what Vital Risk Control™ is for.** The strategy's deepest decline since inception was **-19.91%** against **-39.04%** for the benchmark, and the early-2020 crash is the sharpest illustration: the index fell close to 40% from its peak in a matter of weeks while the strategy, out of the market, barely moved. Both series are daily; the benchmark is total return with dividends reinvested. Past performance does not guarantee future results.

Strategy Overview

The **Rock Steady Strategy** holds up to 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 driven by rank decay, technical deterioration, stop-loss and gain-target rules and run continuously; portfolio-level exposure is governed by **Vital Risk Control™** (patent pending). When fewer than ten names meet the entry threshold, the balance is held in cash rather than filling the portfolio with lower-ranked candidates. All figures are net of modeled commissions and variable slippage. Benchmark: S&P 500 Equal Weight (RSP). Inception: 01/01/15.

This Week at a Glance

The strategy was unchanged this week while the benchmark fell 6.20%. Vital Risk Control™ has held the portfolio in cash since 11/04, and subscribers were advised to make no purchases. Over the five sessions from 11/13 to 11/20 the S&P 500 Equal Weight index declined **6.20%**; the model returned **0.00%**. **The year-to-date excess widened from 49.85 points to 57.10** — the widest of any year on record — with the model at **+66.68%** against **+9.58%**. The portfolio stands at **$377,863** and remains fully in cash.

Performance Summary

Period	Model	S&P 500 Equal Weight	Excess
Month-to-Date	-0.44%	-4.98%	+4.54%
4-Week	-1.96%	-4.20%	+2.24%
13-Week	3.00%	-6.07%	+9.07%
Year-to-Date	66.68%	9.58%	+57.10%
1-Year	92.89%	15.68%	+77.21%
3-Year	302.27%	49.36%	+252.91%
Since Inception (01/01/15)	**3,678.63%**	**216.01%**	**+3,462.62%**
Annualized	**35.74%**	**10.17%**	**+25.57%**

The year stands at +66.68% against +9.58%, an excess of 57.10 points, with one year at +92.89% and three years at +302.27%. **Every window on this table now shows a positive excess.** The shorter periods turned around in a single week: thirteen weeks is +3.00% against -6.07% and November is -0.44% against -4.98%, because the portfolio held cash through a falling market. **Cash participates in neither market gains nor losses**, which is the whole purpose of holding it.

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	66.68
S&P 500 EW	-2.67	14.51	18.52	-7.84	28.91	12.66	29.41	-11.62	13.70	12.79	11.21	9.58
Excess	**15.12**	**37.59**	**0.55**	**15.07**	**5.62**	**35.00**	**25.34**	**21.37**	**27.95**	**20.43**	**51.85**	**57.10**

(*) From 01/01/15 (**) Year-to-date through 11/20/26. **The model has finished ahead of the benchmark in all eleven completed calendar years**, including 2022 (+9.76% against -11.62%) and 2018 (+7.23% against -7.84%). The current partial year's **+57.10-point excess is the widest in the record**, ahead of 2025's +51.85; a partial year is not a result until it closes. All figures are net of modeled costs.

Risk Metrics

Metric	Model (3-Yr)	S&P 500 EW (3-Yr)	Model (Incep.)	S&P 500 EW (Incep.)
Annualized Return	59.09%	14.32%	35.74%	10.17%
Max Drawdown	-19.91%	-17.81%	-19.91%	-39.04%
Standard Deviation	25.76%	13.67%	20.04%	17.56%
Sharpe Ratio	2.22	0.90	1.68	0.46
Sortino Ratio	3.33	1.33	2.55	0.65
Beta	0.68	—	0.53	—
Correlation	0.36	—	0.47	—
R-Squared	0.13	—	0.22	—
Alpha (annualized)	48.67%	—	29.40%	—

The maximum drawdown since inception is -19.91% against -39.04% for the benchmark, roughly half the index's worst decline, with a Sharpe of 1.68 against 0.46 and annualized alpha of 29.40%. Beta of 0.53 and R-squared of 0.22 since inception reflect the periods spent in cash, which is where much of that drawdown advantage comes from — and this week is a working example of it. Sharpe and Sortino are computed against an assumed 2.0% risk-free rate using the realized compound annual return; cash balances are credited no interest, which understates the model's return.

A note on the ratio basis. Sharpe, Sortino, beta, correlation and alpha are computed in-house rather than carried from an outside data platform: the ratios use the realized compound annual return over an assumed 2.0% risk-free rate, and downside deviation divides by the full observation count so that non-negative days contribute zero deviation. Figures published in issues before this one used a different convention and are not directly comparable. Returns, drawdowns and every performance table are unaffected.

Monthly Performance — Last 12 Months

Return (%)	2025/12	2026/01	2026/02	2026/03	2026/04	2026/05	2026/06	2026/07	2026/08	2026/09	2026/10	2026/11
Model	4.04	25.67	2.19	0.00	11.40	27.64	1.42	-12.48	3.75	6.71	-6.71	-0.44
S&P 500 EW	0.41	3.40	3.48	-5.97	6.00	2.65	2.28	1.05	2.04	-4.83	4.95	-4.98
Excess	**3.63**	**22.27**	**-1.29**	**5.97**	**5.40**	**24.99**	**-0.87**	**-13.54**	**1.71**	**11.53**	**-11.65**	**4.54**

Nine of the twelve months shown are positive for the model. January (+25.67% against +3.40%) and May (+27.64% against +2.65%) are the months that built the year. **November is the cash position at work**: the model is -0.44% while the benchmark has fallen 4.98%, an excess of +4.54 earned without the portfolio owning anything. March was the same pattern — 0.00% against -5.97%.

Current Holdings

Portfolio Position — 100% Cash

The portfolio holds no equity positions. The model has been **100% in cash** — the full **$377,863** — since 11/04, and **no position is being opened on Monday.** That cash is what carried the portfolio through this week unchanged while the benchmark fell 6.20%. Vital Risk Control™ governs portfolio-level exposure independently of the ranking system, so names may qualify on rank while the portfolio stays flat. **While in cash the strategy avoids market risk and individual stock risk, and participates in neither market gains nor losses.** Cash is a position the model takes deliberately, not a gap it is waiting to fill.

Track This Strategy on Yahoo Finance ›

This Week's Trades — No Trades

No Action Required — Week of November 23

There are no trades this week and no action is required. Vital Risk Control™ remains in force, so no position is being opened on Monday 11/23 and nothing is being sold — the portfolio is already flat. This is the third consecutive week without a transaction. The balance stays in cash until the risk signal clears, at which point the entries will be published in that weekend's issue. A name that qualifies mid-week is not purchased mid-week.

A note on prices. The price shown for a newly initiated position is the prior session's close, which is the most accurate figure available when this report is published. The final modeled fill — the average of the execution session's high, low and twice the close — is reported in the following week's issue and will usually differ.

Recent Trading Activity

Date	Action	Ticker(s)	Reason
11/04/26	SELL — two positions	**NUE TXN**	Stop Loss / Technical
11/03/26	SELL — two positions	**NTAP STLD**	Stop Loss
11/02/26	BUY — two positions	**NUE STLD**	Ranks 89.98 – 93.19
11/02/26	SELL — two positions	**CNC PLTR**	Rank
10/28/26	SELL to close position	**FTNT**	Technical Signal
10/26/26	BUY — three positions	**CNC NTAP TXN**	Ranks 87.4 – 97.2
10/21/26	SELL to close position	**APH**	Stop Loss

The exits that produced the cash position came in a cluster over three sessions in early November. Two closed above cost — **TXN +7.7%** and **PLTR +6.4%**, together about $4,800 — and four closed below, the largest being NTAP at -12.7%. Across all six the net was about -$3,200 on a $378,000 portfolio. Two of them, STLD and NUE, were stopped out within three days of being bought. Short holding periods are what the stop-loss rule produces when a position moves against the model immediately, and the rule cutting a loss early is the behaviour it is designed for.

Trading Statistics

Metric	Value	Metric	Value
Closed (realized) trades	367	Average holding period	84.3 days (≈2.8 mo.)
Realized win rate	58.58% (215 of 367)	Avg. hold — winners	110.8 days (≈3.6 mo.)
Average return per closed trade	+11.49%	Avg. hold — losers	46.9 days (≈1.5 mo.)
Average winning trade	+23.87%	Best closed trade	+286.68%
Average losing trade	-6.03%	Worst closed trade	-26.97%
Win/loss size ratio	3.96 : 1	Average annual turnover	281.35%
Open positions	0	Total modeled trading cost	$6,505
Portfolio in cash	100.00%	Total realized gains	$339,977

The average winner is 3.96 times the average loser (+23.87% against -6.03%), and winners are held more than twice as long — 110.8 days against 46.9. That payoff asymmetry, rather than hit rate, is what carries the record. The $6,505 of modeled trading cost is already deducted from every return shown.

Vital Risk Control™

Vital Risk Control™ Signal

Status: RISK-OFF — 100% CASH. The risk-off period that began on 11/04 remains in force and is now in its third week. **Its effect is visible in this week's numbers: the benchmark fell 6.20% and the model returned 0.00%.** Portfolio-level exposure is governed independently of the ranking system, so names may qualify on rank while the risk signal keeps the portfolio flat. Exposure returns in one step when the signal clears.

Risk is managed from two directions. Vital Risk Control™ can cut exposure from above, and exposure can also fall from below when positions leave on their own rules and the ranking system is selective about replacements — which is what opened the current cash period. **While in cash the strategy avoids market risk and individual stock risk, and participates in neither gains nor losses.** Neither route requires a forecast, and together they are why the maximum drawdown since 2015 is -19.91% against -39.04%.

Outlook & Key Observations

Look Ahead: Make no purchases on Monday. Vital Risk Control™ remains in force, the portfolio stays 100% in cash, and nothing is bought or sold. **This week is the clearest demonstration of the framework the strategy is built on.** The benchmark fell 6.20% between 11/13 and 11/20 and the model returned 0.00%, because it owned nothing to lose. A portfolio that sits out a 6% week does not need a forecast to have been right — it needs a rule that was already in place, which is what the risk signal is. The year now stands at **+66.68% against +9.58%**, an excess of 57.10 points, **the widest margin in the eleven-year record**, and the model remains ahead of the benchmark in every completed calendar year. Cash will be redeployed in a single step when the signal clears, and the entries will appear in that weekend's issue. The next rebalance runs **November 28**; urgent notices remain reserved for exits — a stop-loss, a technical signal, or a Vital Risk Control™ signal.

YTD: **+66.68%** | 1-Yr: **+92.89%** | Sharpe: **1.68** | Max DD: **-19.91%** | Positions: **0 (100% cash)** | Next Rebalance: **11/28/26**

Important Disclosures. Vital Quantitative Research, LLC is a publisher of systematic investment research and is not a registered investment adviser. Nothing in this report is individualized investment advice or a recommendation to buy or sell any security. The Rock Steady Strategy results shown are hypothetical model results produced by systematic backtesting and portfolio simulation, and are net of modeled commissions and variable slippage; they do not represent actual trading and no client account achieved these returns. **This strategy is concentrated:** it holds at most ten positions and at present holds none. A severe decline in one or two individual holdings can produce losses materially larger than a broadly diversified portfolio would experience, and volatility has run above that of the benchmark. The strategy may hold cash for extended periods, during which it will not participate in market gains or losses. Position sizing should reflect that concentration. Hypothetical performance has inherent limitations, including the benefit of hindsight in strategy construction. Past performance, whether actual or hypothetical, does not guarantee future results. Investing involves risk of loss, including loss of principal. Vital Risk Control™ is a proprietary framework of Vital Quantitative Research, LLC (patent pending).