

## FLOW CHART: STOCK SELECTION AND PORTFOLIO CONSTRUCTION (LSMN)

MARKET RISK ANALYSIS INDICATES 'CAUTION' OR 'CLEAR' TO INVEST

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UNIVERSE OF 14,000+ STOCKS WITH QSIP#'S AND TICKER SYMBOLS

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FORD DATABASE OF 8,000 TO 9,000 'INSTITUTIONAL' STOCKS

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OPTION STOCK UNIVERSE OF 4,000 OR SO STOCKS WITH LISTED OPTIONS

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OPTION STOCKS WITH A MARKET CAP OF \$1 BILLION OR MORE PLUS A PRICE  
OF \$5 PER SHARE OR GREATER

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MATRIX 3 DIMENSIONAL RANKING ANALYSIS  
FUNDAMENTAL + TECHNICAL + EARNINGS REVISION

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MATRIX 'ATTRIBUTION ANALYSIS

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SECTOR	TREND FOLLOWING	CONTRARIAN	EARNINGS
ROTATION	GROWTH	VALUE	DRIVEN
PORTFOLIO	PORTFOLIO	PORTFOLIO	PORTFOLIO

SR= LONG 6 BEST SECTOR ROTATION STOCKS IN TOP RANKED ECONOMIC  
SECTORS AND INDUSTRY GROUPS, AND SHORT 6 WORST SECTOR ROTATION  
STOCKS IN BOTTOM RANKED ECONOMIC SECTORS AND INDUSTRY GROUPS.

TFG = LONG 6 BEST GROWTH STOCKS IN MIDDLE RANKED ECONOMIC  
SECTORS, AND SHORT THE 6 WORST GROWTH STOCKS IN THOSE SAME  
MIDDLE RANKED ECONOMIC SECTORS.

CV = LONG 6 BEST VALUE STOCKS IN MIDDLE RANKED ECONOMIC SECTORS,  
AND SHORT 6 WORST VALUE STOCKS IN THOSE SAME MIDDLE RANKED  
ECONOMIC SECTORS.

ED = LONG 6 BEST EARNINGS DRIVEN STOCKS IN MIDDLE RANKED INDUSTRY  
GROUPS, AND SHORT 6 WORST STOCKS IN MIDDLE RANKED INDUSTRY  
GROUPS.

ENTER TRADES ALL SHORTS FIRST THEN THE LONGS