

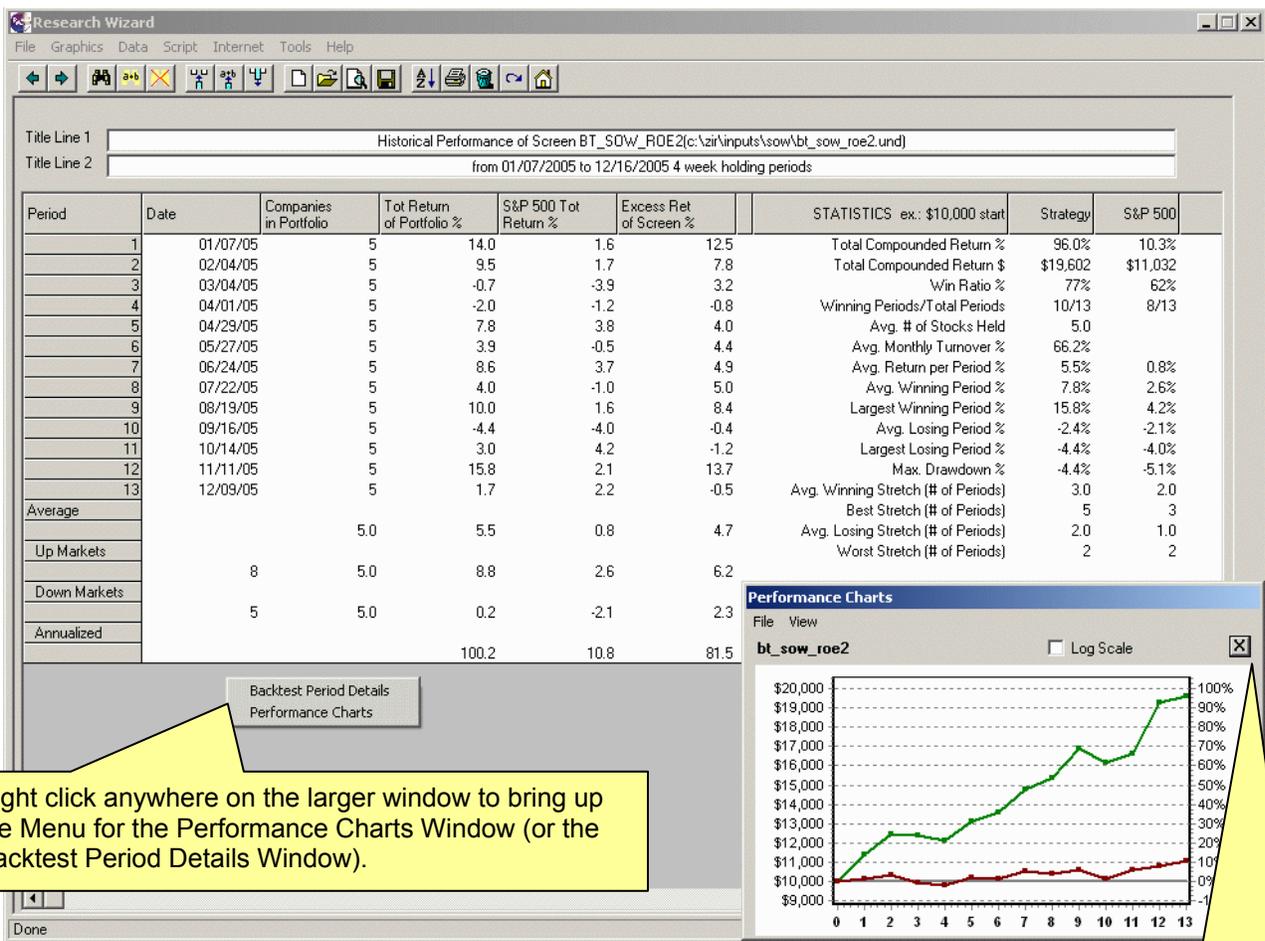


Research Wizard: UPGRADE (March 2006) Descriptions and Screenshots

Once a backtest report is run, one of the first new things you'll see is an Automatically Generated Performance Chart in the bottom right corner.

You'll also see even more Strategy Statistics such as Total Compounded Return, Win Ratio, Avg. Monthly Turnover, Max Drawdown and more.

(Screenshot 1)



Right click anywhere on the larger window to bring up the Menu for the Performance Charts Window (or the Backtest Period Details Window).

To close or hide the Performance Chart Window, just click on the 'X' in the upper right corner of that window.

Click on the 'X' to close the Performance Charts Window.

To bring it back up, simply right click anywhere on the larger window and select Performance Charts. (This is also how to bring up the Backtest Period Details Window as well. See the 'Backtest Details' section (Nov. 2004 upgrade) at the end of this report.)

In addition to viewing a Line Chart that displays the compounded performance, you can also pull up a Histogram Chart too by clicking View on the Menu Bar. (The check mark shows which charts will be displayed. Check or uncheck one or both for whichever chart(s) you want.)

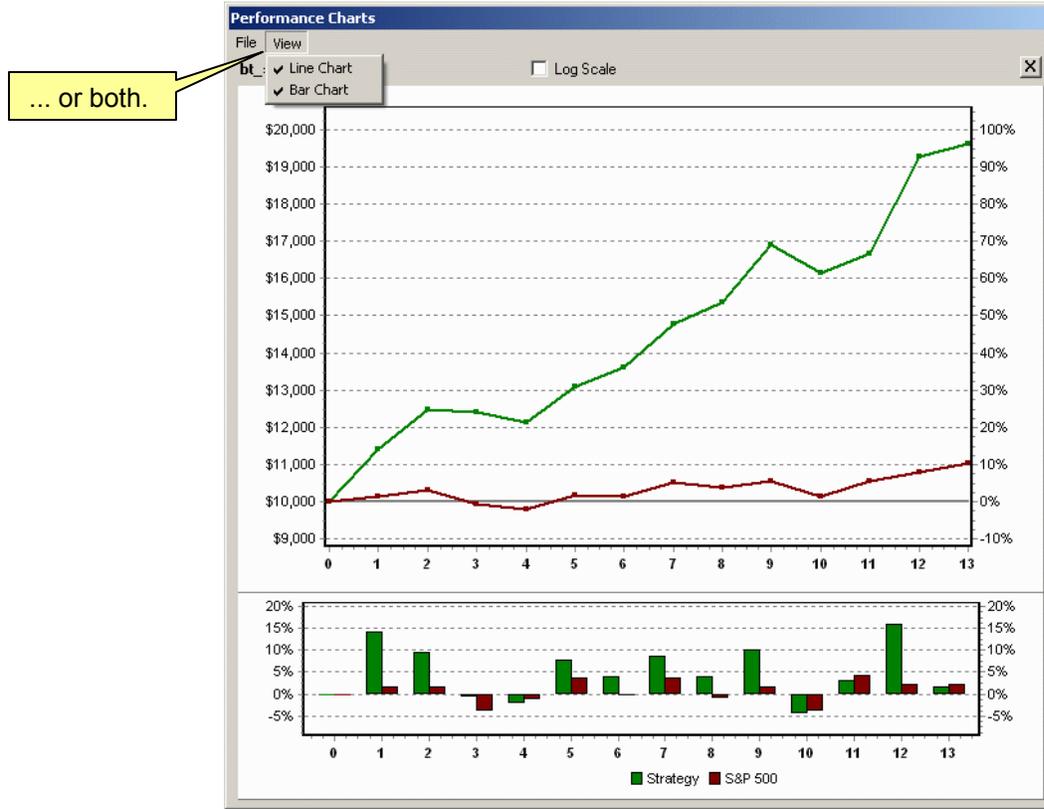
(Screenshot 2 -- Line Chart)



(Screenshot 3 – Histogram Bar Chart)



(Screenshot 4 – both Line and Histogram Bar Charts)



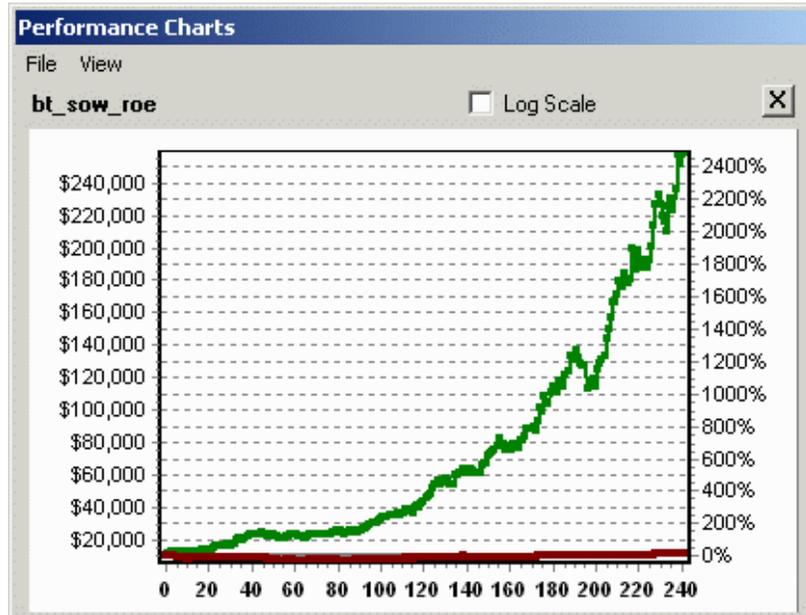
The Chart Window can also be resized too in the same way you would resize any other window. (Screenshot 4 above was resized to better see both charts.)

You can also use a Logarithmic Scale as well by checking the Log Scale box at the top of the chart. (See Screenshots 5 and 6 on the next page.)

Logarithmic scaling measures price movements in percentage terms. An advance from \$10K to \$20K would represent an increase of 100%. An advance from \$20K to \$40K would also be 100%, as would an advance from \$40K to \$80K. All three of these advances would appear as the same vertical distance on a logarithmic scale.

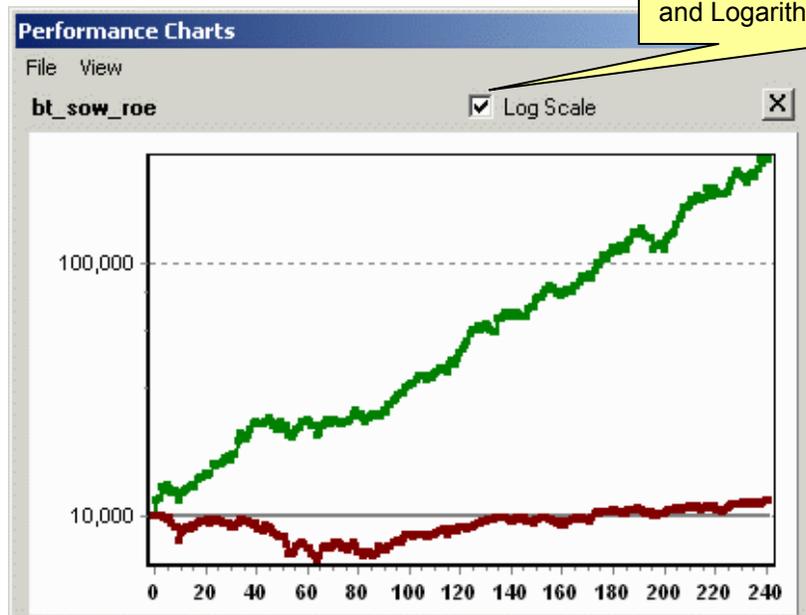
Log Scales are great for when you're graphing big numbers over many periods of time, since the first numbers (typically smaller) at the beginning of the series are often times so scrunched together, it appears as if no movement had taken place. But many times when rescaled logarithmically, it can reveal large movements. (See Screenshots 5 and 6 on the next page.)

(Screenshot 5 – Linear (regular) Scale)



It appears as if nothing happened for the first 100 or so, 1-week periods (approx. two years), when in fact, a 100% increase was seen within the first 34 periods (\$10,000 grew to \$20,000) and another 100% increase from there was seen by period 117 (\$20,000 increased to \$40,000) for a total increase of 300%. [\$10,000 to \$40,000 = 300% increase.] (See Screenshot 6 below.)

(Screenshot 6 – Log Scale)

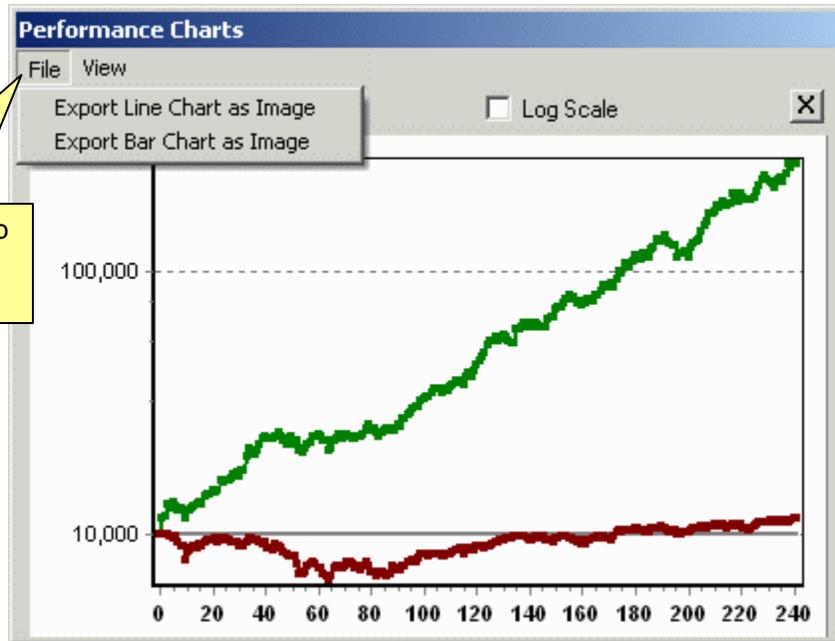


Click on the Log Scale box to switch between Linear (regular) Scaling and Logarithmic Scaling.

The Log Scale shows what a nice steady increase the strategy has seen.

You can also export the Charts as images too by clicking on File on the Menu Bar and making your selection. (See Screenshot 7.)

(Screenshot 7)



Click File on the Menu bar to export the chart(s) as an image.

Also new is the additional Backtesting Benchmarks of the Dow Jones and the Nasdaq (and of course the S&P 500).

(Screenshot 8)

The screenshot shows a dialog box titled "Backtest Screen Definition". It contains the following fields and options:

- Screen Definition: c:\zir\inputs\sow\bt_sow_roe2.und
- Holding Period: 4 Weeks
- Benchmark: S&P 500 (with a dropdown menu open showing options: S&P 500, Dow Jones Indl, NASDAQ Composite)
- From: 01/07/2005
- To: 12/09/2005
- Buttons: Run, Cancel

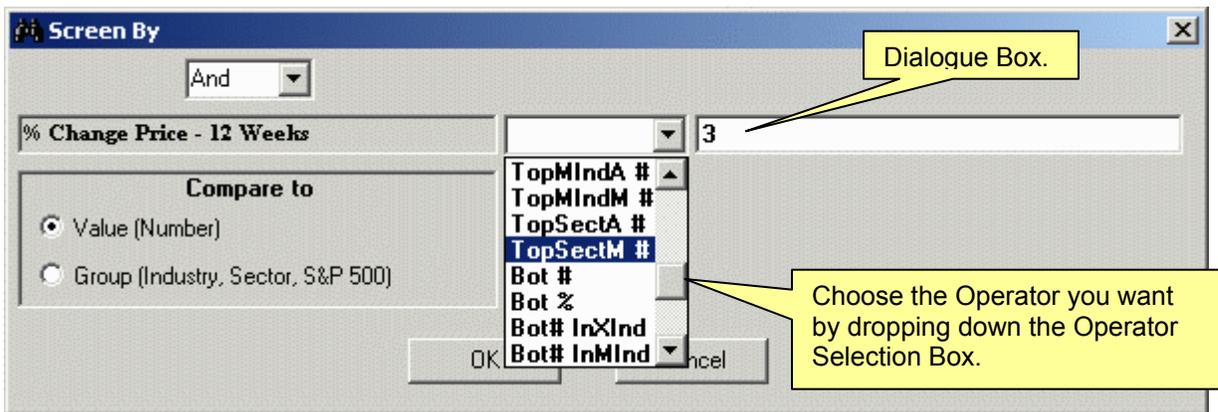
Benchmark your backtests against the S&P 500, the Dow or the Nasdaq.

Another new feature is the ability to quickly and easily screen for stocks in the 'best' Sectors or Industries and you define it. You can also limit it to just the 'best' stocks in the 'best' Sectors or Industries.

For example: let's say you want to find the Top 3 Sectors and then the Top 2 Stocks within those Sectors. And let's say you define the Top Sectors as having the largest Median % Price Change over the last 12 weeks. And let's say you define the Top Stocks as having the largest Quarterly EPS Growth Rate.

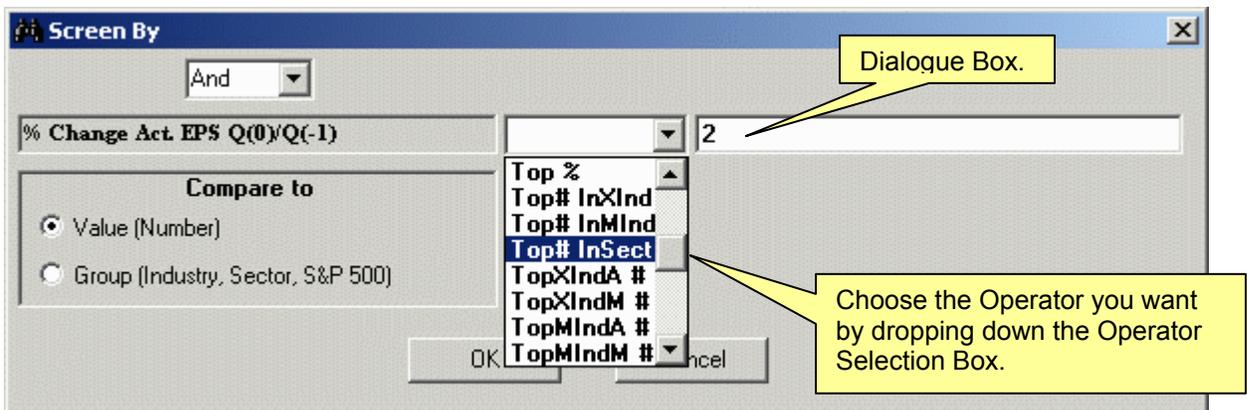
(Screenshot 9)

- 1) Select the Item you want and then choose the TopSectM # (Top # of Sectors using a Median Value) Operator. Then type in '3' (for Top 3 Sectors) in the Dialogue Box. Then click OK.



(Screenshot 10)

- 2) Then select the next Item you want and choose the Top# InSect (Top # of Stocks In Sector) Operator. Then type in '2' (for Top 2 Stocks) in the Dialogue Box. Then click OK.



When it's done, the setup will look like this (*Screenshot 11*) in the Screen Definition Table (and the Report Definition Table). (Then click the Run Query Button (not shown) to get your list of stocks.)

(*Screenshot 11*)

Screening Criteria					
% Change Price - 12 Weeks			TopSectM #	3	
% Change Act. EPS Q(Q)/Q(-1)			Top# InSect	2	AND

Report Definition			
Company	Ticker	% Ch Price 12 Weeks	Q EPS this Q/ prior qtr
Aw	Aw	0.00%	0.00%

The report that's generated will then show you the Top 2 Stocks in each of the Top 3 Sectors based on your Input. (It'll also show you the Values for the Individual Stocks as well.)

If you want to further define your Screen with other Criteria, just add those items to it. You can also add the Sector (or Industry) values to your Report as well.

Note: The 'Top' and 'Bot' (Bottom) Operators [Limiting Operators] are 'sequential', meaning any item that follows a 'Top' or 'Bot' Operator, will only look at the 'active' Universe of stocks based on the criteria that preceded it.

For instance, if you wrote: Zacks Rank = 1, it'd look at the entire Universe of stocks (approx. 8,700 stocks) to find all of the Zacks #1 Ranked stocks.

But if let's say you first wrote: TopSectM# 3 using a 12 Week % Price Change (Top 3 Sectors based on the Median % Price Change over 12 weeks), and then asked for the Zacks #1 Ranked stocks, it'd look for all the stocks with a Zacks Rank of 1 within just those Top 3 Sectors.

Moreover, if you reverse the order of those items, it'll then find the Top 3 Sectors from the 'active' Universe of stocks, which in this case would be just the Zacks #1 Ranked stocks (approx. 200 stocks).

So when using the 'Top' or 'Bot' Operators (more specifically, the 'Top or Bot Sector' Operators (or Industry) or the 'Top or Bot # In a Sector' Operators (or Industry), consider the order that the Items are in. (A top down approach is helpful, i.e., determine the Sector or Industry first (if that's your inclination), then add the stock criteria.

However, the order of the Items are unimportant when NOT using any the Limiting Operators ('Top', 'Bot') and how most screens are run.

Lastly, the 'Top' and 'Bot' Operators refer to the value of the data item and not the qualitative characteristics of an item. It simply selects the largest or smallest value.

So if you wanted to screen for the best 10 Zacks Ranked stocks in each Sector, you'd write:

BOT# InSect 10

Why?

Because the best Zacks Ranked stocks are ranked 1 and 2, (Strong Buy and Buy) which are smaller numbers than 4 and 5 (the worst Ranked stocks, Sell and Strong Sell). So in this case, the smaller number is 'better' than the larger number, so you'd use the 'Bot' Operator.

For quick reference, we've included the Details Report from our last upgrade (November 2004) to this Upgrade Spec. sheet as well.

It begins on the next page.

Nov. 2004 Upgrade!



Research Wizard: **Backtest Details** Descriptions and Screenshots

After a backtest report is run, a summary report is generated. (Screenshot 1)

For backtest details, simply left click your mouse and then right click your mouse and pull up a 'Backtest Period Details' window(s). (Screenshots 2 and 3)

(Screenshot 1)

The screenshot shows the Research Wizard application window. The title bar reads "Research Wizard" and the menu bar includes "File", "Graphics", "Data", "Script", "Internet", "Tools", and "Help". The toolbar contains various icons for navigation and data manipulation. The main window displays a summary report with the following title lines:

Title Line 1: Historical Performance of Screen BT_SQW_EPS GROWTH PAST PRESENT(c:\zair\inputs\sow
Title Line 2: from 01/02/2004 to 11/05/2004 4 week holding periods

Period	Date	Companies in Portfolio	Tot Return of Portfolio %	S&P 500 Tot Return %	Excess Ret of Screen %	
1	01/02/04	4	3.0	2.2	0.8	
	01/30/04	7	2.6	1.4	1.2	
	02/27/04	6	0.4	-3.1	3.5	
	03/26/04	10	5.1	3.1	2.0	
	04/23/04	7	-6.9	-4.0	-2.9	
	05/20/04	5	13.2	3.9	9.3	
7	06/18/04	6	3.7	-2.8	6.5	
8	07/16/04	5	-10.9	-3.2	-7.7	
9	08/13/04	8	15.7	5.7	10.0	
10	09/10/04	6	1.7	-0.0	1.8	
11	10/08/04	10	4.3	4.1	0.3	
Average			6.7	2.9	0.6	2.3
Up Markets		6	7.3	7.3	3.4	3.9
Down Markets		5	6.0	-2.4	-2.6	0.3
Annualized			45.3	8.7	33.9	

Two callout boxes provide instructions:

- Left click and then right click and see all of the stocks in each historical period. (Points to the first row of the table)
- Left click and then right click and see all the stocks in all of the periods. (Points to the Annualized row of the table)

Once the 'Details' window has popped up, you can see the stocks that qualified in each historical period and how they did individually.

You can also pull up a stock's 'Company Snapshot' Report. (And if you have the Integrated Company Analysis program (ICA), you can pull up charts and graphs too.)

(Screenshot 2)

The screenshot shows a window titled "Backtest Period Details" with a "Ticker Data" tab. The window displays the following information:

BT_SOW_EPS GROWTH PAST PRESENT (c:\zir\inputs\sow\bt_sow_eps growth past present.und)
from 01/02/2004 to 11/05/2004 4 week holding periods
Period #9: 08/13/04 - 09/10/04

Period	Date	Ticker	Ticker Return %	Portfolio Return %
9	08/13/04	CRDN	36.9	15.7
		ESE	15.7	
		PENN	6.1	
		QSII	0.2	
		RIMM	27.8	
		RSTI	15.4	
		VLO	3.3	
		WIBC	20.5	

Callout boxes provide additional context:

- Top callout: "Pull up a Company report. And if you have the Integrated Company Analysis program (ICA), pull up charts and graphs too.)"
- Bottom callout: "See how many times a stock passed your screen within your test period and how many consecutive periods it passed around the period you're analyzing. (In this example, CRDN qualified 9 times. 5 of which were consecutive periods beginning with period 7 and ending with period 11.)"

Summary text at the bottom of the window:

CRDN is selected in 9 periods.
Around Period 9 CRDN is selected in 5 consecutive periods starting Period 7

Buttons: "Export to Excel" and "Close"

You can pull up a 'Details' window for each period separately or you can pull up a 'Details' window with all of the periods in it. And of course, it can all be exported to Excel.

(Screenshot 3)

Backtest Period Details

Ticker Data

BT_SOW_EPS GROWTH PAST PRESENT(c:\zir\inputs\sow\bt_sow_eps growth past present.und)
from 01/02/2004 to 11/05/2004 4 week holding periods

Period	Date	Ticker	Ticker Return %	Portfolio Return %
9	08/13/04	CRDN	36.9	15.7
		ESE	15.7	
		PENN	6.1	
		QSII	0.2	
		RIMM	27.8	
		RSTI	15.4	
		VLD	3.3	
10	09/10/04	CRDN	4.5	1.7
		ESE	0.7	
		HOV	-5.0	
		JBHT	1.3	
		QSII	5.1	
11	10/08/04	RSTI	3.9	4.3
		CRDN	-4.7	

RSTI is selected in 3 periods.
Around Period 9 RSTI is selected in 3 consecutive periods starting Period 9

Export to Excel

Close

Use the Scroll Bar and see every stock in every period.