



Special Report

Trading action: 2-year performance review

With the end of every financial quarter comes a flood of performance reports from Wall Street fund managers. Quarterly performance reviews are both loved and dreaded by those in the financial industry depending on how they performed in the latest quarter.

Performance report cards in the financial newsletter industry are a rarity, however. The reason for this becomes clear when you realize that most newsletter writers who make stock or commodity trading recommendations typically under perform the market. I'm one who believes that subscribers to a financial newsletter deserve to know how their editor has performed on a yearly, if not a quarterly, basis. To that end I'm publishing the latest "report card" for the trading recommendations made in this report.

There's an old saying on Wall Street that goes something like, "You only learn in bear markets." After 15 years in the financial newsletter industry I'm inclined to agree. The credit crisis of 2008 was a testament to this and forced many analysts and traders to rethink their trading approach to the financial market.

In the years before the credit crisis I had mainly relied on the harmonic 30-day, 60-day and 90-day moving averages for important trading signals in the gold and silver stocks. During the bull market years of 2002 through 2007 this approach was good enough in most cases. But the extreme volatility that became the norm from late 2007 through 2008 forced me to change this tactic, and in October 2008 I introduced the 15-day moving average trading method which I've used to make trading decisions in this report ever since.

It's my belief that when it comes to trading, simplicity is the key to consistent profits. The fewer variables a trading system has to work with, the more likely you'll meet with success. The 15-day moving average system we use is nearly 100% systematic, though partly discretionary in that it involves an evaluation of relative strength among the actively trading mining stocks when selecting buy candidates. It combines a simple moving average system (namely a 2-day higher close above the rising 15-day MA) with internal momentum and relative strength studies. It is a 100% technical approach to trading the gold and silver mining shares.

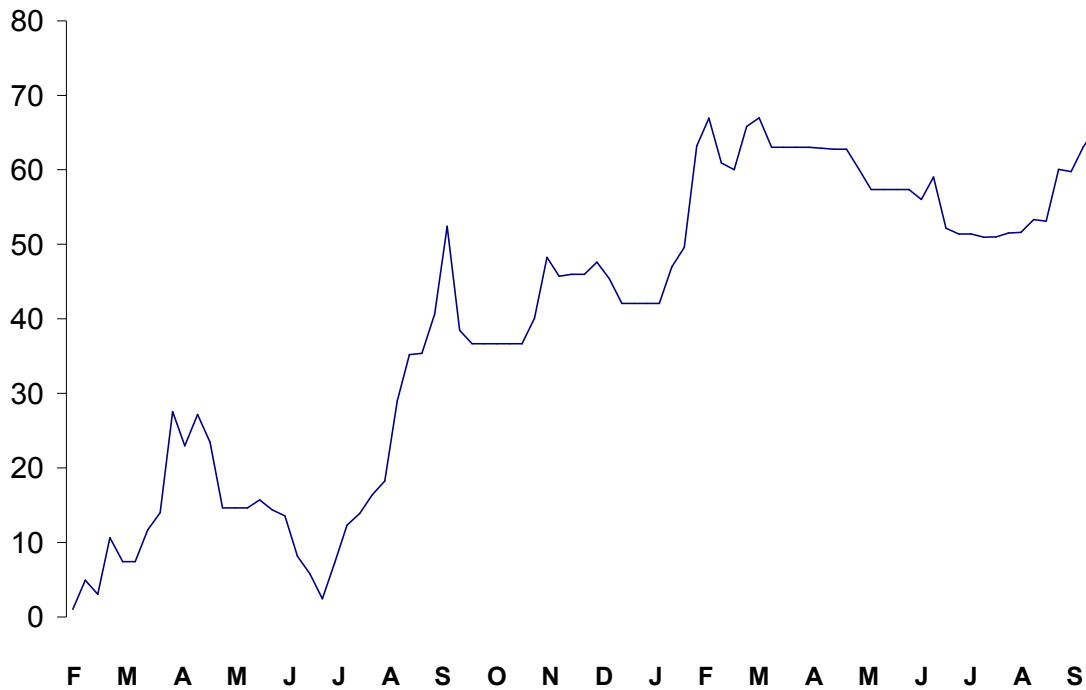
In February 2011, the *Gold Strategies Review* newsletter (published since 1998) was combined with the *Silver Strategies Review* report (published since 2003) to form the *Gold & Silver Stock Report* you see today. Although *Gold Strategies Review* and its sister silver report both relied heavily on the 30/60/90-day MA trading method, the *Gold & Silver Stock Report* has consistently relied on the 15-day MA trading method from its inception. Since this report began back in February 2011, here's how an investor would

have fared by embracing a “buy and hold” approach to the gold and silver stocks as seen through the lens of the XAU index.



Here’s how the 15-day MA trading system performed during that same period of time. The following graph is the complete weekly record of all trading recommendations made in the *Gold & Silver Stock Report* since February 2011.

GSSR Trading Portfolio



Clearly the systematic, disciplined approach to trading trumped “buy and hold.” The technical system used in this report reduced volatility and drastically limited draw downs during market declines, while allowing us to participate in every major rally since early last year.

There is nothing especially unique about the 15-day MA trading method; it’s a relatively simple and somewhat mechanical system for participating in rallies while sidestepping declines. Yet it proves that simplicity – to say nothing of a disciplined trading approach – is not only profitable but even vital for navigating the volatility of today’s financial market. While it’s possible that the 15-day MA trading system we use may someday become obsolete, forcing us to change our methodology and approach to the market, it has proven its merit since October 2008. We’ll continue using it until it stops working. As the saying goes, “Ride it until the wheels come off!”

Special Offer

Published each Tuesday and Thursday evening, the *Gold & Silver Stock Report* provides technical analysis and forecasts for the actively traded small cap, mid cap and senior U.S. and Canadian gold and silver mining stocks. The newsletter employs reliable market analysis to capture trends and turning points and utilizes a conservative money management strategy for preserving capital gains and avoiding unnecessary losses during periods of market uncertainty and volatility. Our trading discipline has been honed over the past 14 years of trading, analyzing and covering the gold and silver mining industry group. The benefit of this experience will allow you to safely buy and sell mining stocks without undue risk exposure.

Subscribe to the *Gold & Silver Stock Report* today and receive as an added bonus two Special Reports on mining stock trading. In these reports are revealed our technical approach to trading the gold and silver mining shares and how you can profit from it.

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