

The
**Nasdaq Dorsey Wright Research Platform
User Guide**

Rules-based, on-demand tools for research, analysis, and portfolio construction

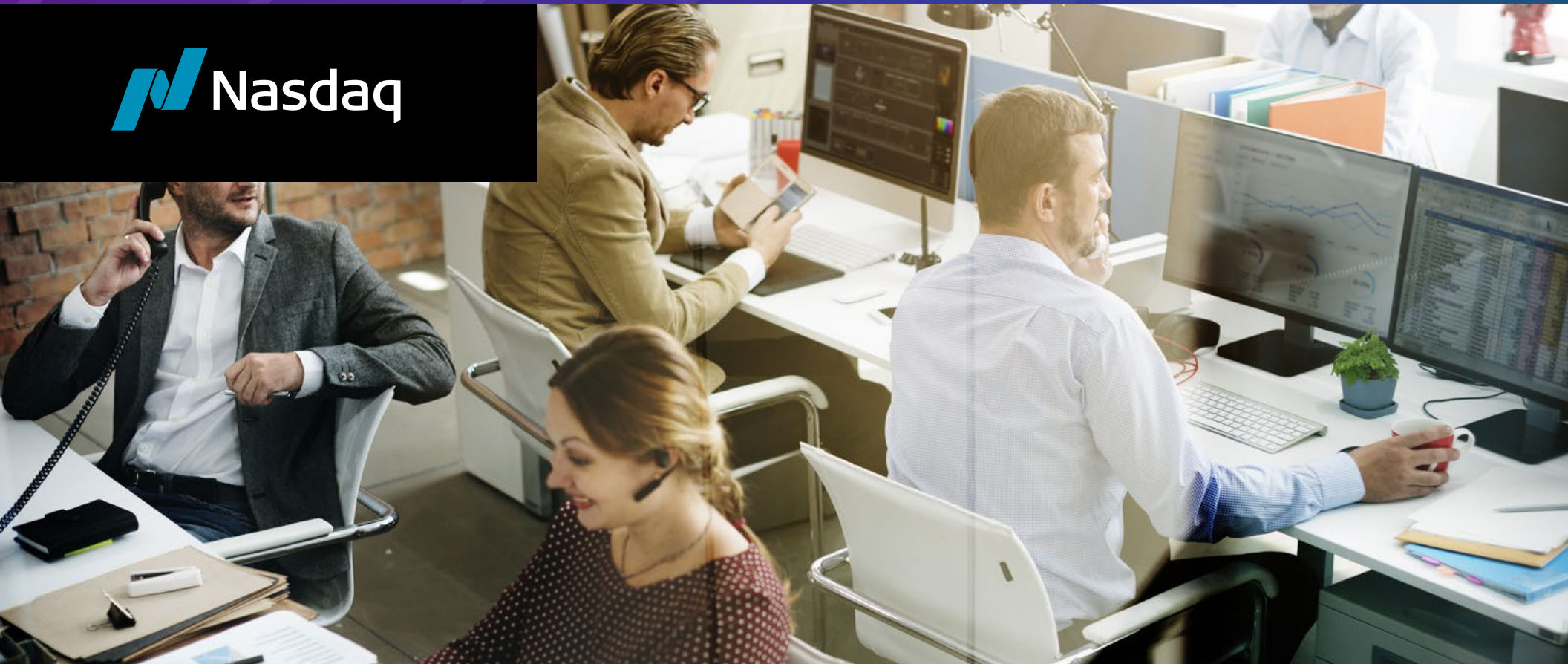


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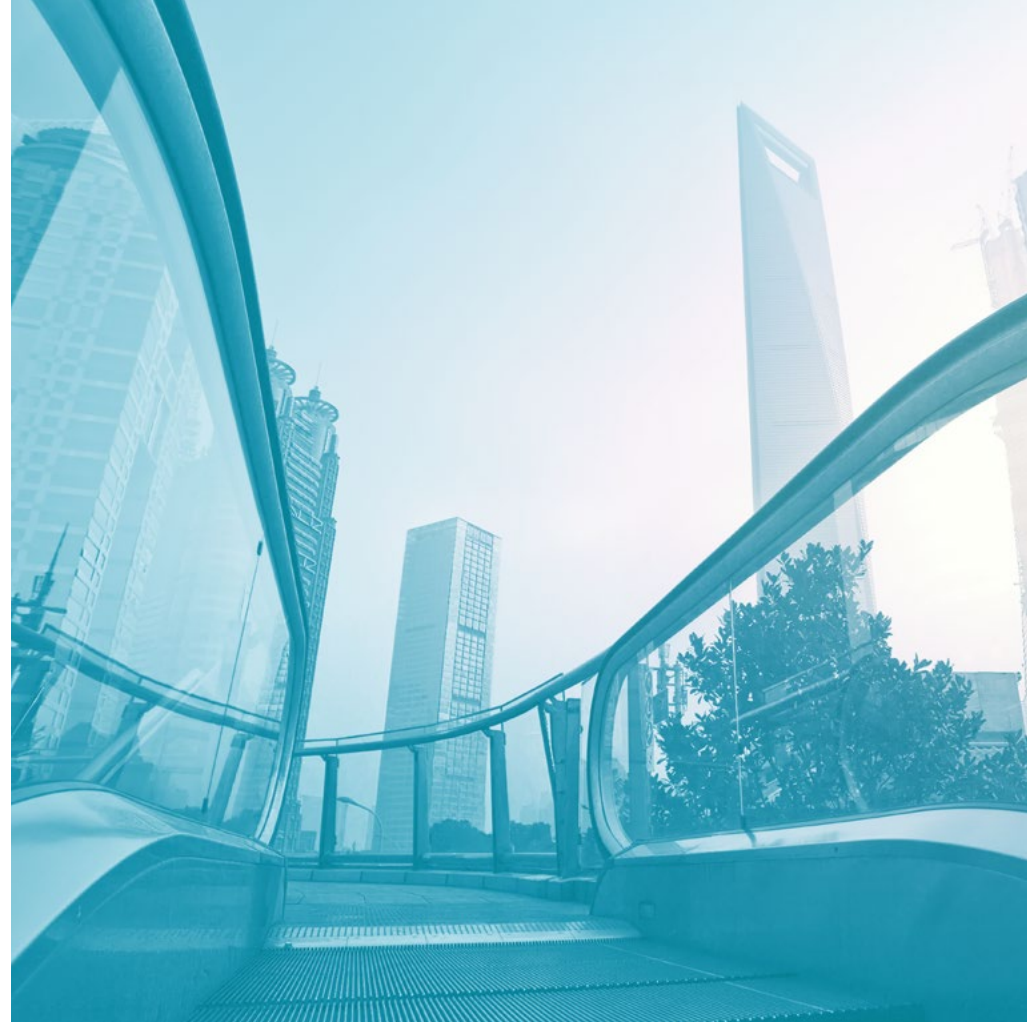
Optimize Your Value

Fee compression and increased client expectations are two realities all financial advisors are managing. Nasdaq Dorsey Wright (NDW) has the research, tools and services to help you optimize these competing constraints.

Nasdaq Dorsey Wright's Research Platform is designed specifically to help advisors, registered reps, and investors like you gain a distinct competitive edge by giving you the tools and insights you need to remain on top of the constant flux within the global investment community.

Using a clear, rules-based methodology, the Platform gives you the ability to streamline your investment process with technical tools, thereby freeing up your most precious commodity: your time. The result: You can effectively manage your portfolios with greater confidence and still have time to focus on building strong, trusted relationships with every client.

Decades in the making, the resources that are available on the Research Platform today are vast. This brief introduction to the NDW methodology provides an overview of how advisors are implementing the tools into their portfolio management.



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Getting Started: The Daily Equity & Market Analysis Report

Written in-house by our team of experienced analysts, this insightful Report is designed to provide a concise, transparent view of the current market. Every day we convey timely commentary on technical developments across all major segments of the global capital markets, including individual recommendations on stocks, ETFs, mutual funds, and option strategies.

The Daily Equity & Market Analysis Report can serve as a helpful introduction to other tools on the Platform. Each day as you read the Report, you'll get a clear look at how our tools allow you to cut through the noise and get to the market trends that are most important for you and your clients.

Get the Nasdaq Dorsey Wright Basics:
Our methodology removes emotions and
risk associated with other types of market
forecasting. [Click](#) to learn more.

The NDW Research Platform

You can get an accurate, reliable view of how a myriad of stocks, funds, and ETFs around the world are performing—to make better, data-driven investment decisions and potentially increase portfolio performance.

Highlights of the Platform include:

- » The Daily Equity & Market Analysis Report
- » Custom Watch Lists and Alerts
- » Asset Allocation Guidance
- » Model Marketplace
- » NDW Relative Strength Ranking System
- » Custom Allocation Construction Tool



Watch List & Alerts

The Watch List service, branded "My Portfolios," is designed to monitor positions for technical breakouts and notable price moves, potentially adding hours back into your day.



Manage Custom Portfolios

Quickly assess the technical health of your book of business by easily uploading your holdings from your custodial system into Nasdaq Dorsey Wright. Sort and track securities with the click of a button. Set email or text message alerts on entire portfolios or individual positions. Support cross-team collaboration by sharing portfolios with teammates and partners.



Be Your Own Expert

Easily build a story for an unsolicited trade request from a client or an unfamiliar idea from a colleague using the NDW charts, portfolio, and alerts to quickly become the expert on names that might have otherwise not been a part of your practice.



Set Alerts

Use automated alerts to receive an email, text, or both to easily monitor current holdings and watch lists for important changes. Alerts can be set for entire portfolios, individual tickers, or on any of the Nasdaq Dorsey Wright model portfolios.

Custom Portfolios & Alerts

Putting it into Action

To begin using Custom Portfolios & Alerts right away, save your current portfolio holdings in a portfolio using the **My Portfolios** function. For this example, let's assume all of your holdings are individual stocks. The system automatically assigns a Technical Attribute rating between 0-5 to every stock in your portfolio, with 5 indicating a very strong technical picture.

Easily rank your holdings by the NDW Technical Attribute Rating system in order to quickly identify the strongest names from your list. We generally like to focus on those stocks with technical attributes of 3 or better, as these tend to be the stocks exhibiting outperformance

Next, click **Set Alerts** under the Portfolio Actions menu. Select **Positive Attribute Change** and **Negative Attribute Change** to stay abreast of any future attribute changes.

Play video: [click](#) to see it in action

Dynamic Asset Level Investing (DALI) Tool

The Dynamic Asset Level Investing (DALI) Tool applies relative strength analysis across the six major asset classes (U.S. equities, international equities, commodities, global currencies, fixed income, and cash) to identify leadership and guide tactical asset allocation.

It is a historical fact that asset classes go through bull and bear markets. Rather than take a passive approach to asset class exposure, DALI can help you tactically allocate among these asset classes.

Asset classes are ranked from strongest to weakest, with an emphasis towards overweighting asset classes that hold the top spots in DALI, and underweighting or avoiding asset classes that fall to the bottom. DALI can also be used to analyze strength within each asset class using the sub-sector and sub-asset class rankings.

Pre-configured DALI Strategies

Through DALI, advisors also have access to a pre-configured suite of asset allocation strategies. For example, the popular Tactical Tilt framework is a 100% rules-based approach that uses input from DALI to deliver a tactical solution that can operate within strategic boundaries.

Some of the most popular pre-configured DALI Strategies on the platform include:

- » DWA Conservative Tilt Strategy
- » DWA Moderate Tilt Strategy
- » DWA Aggressive Tilt Strategy

Users can also create their own customized DALI-based strategies.

While each of these strategies is flexible and adaptive and driven by relative strength, the different model constraints within each approach provides you with a range of models to fit the different risk tolerance and preferences of each of your clients.

Dynamic Asset Level Investing Tool

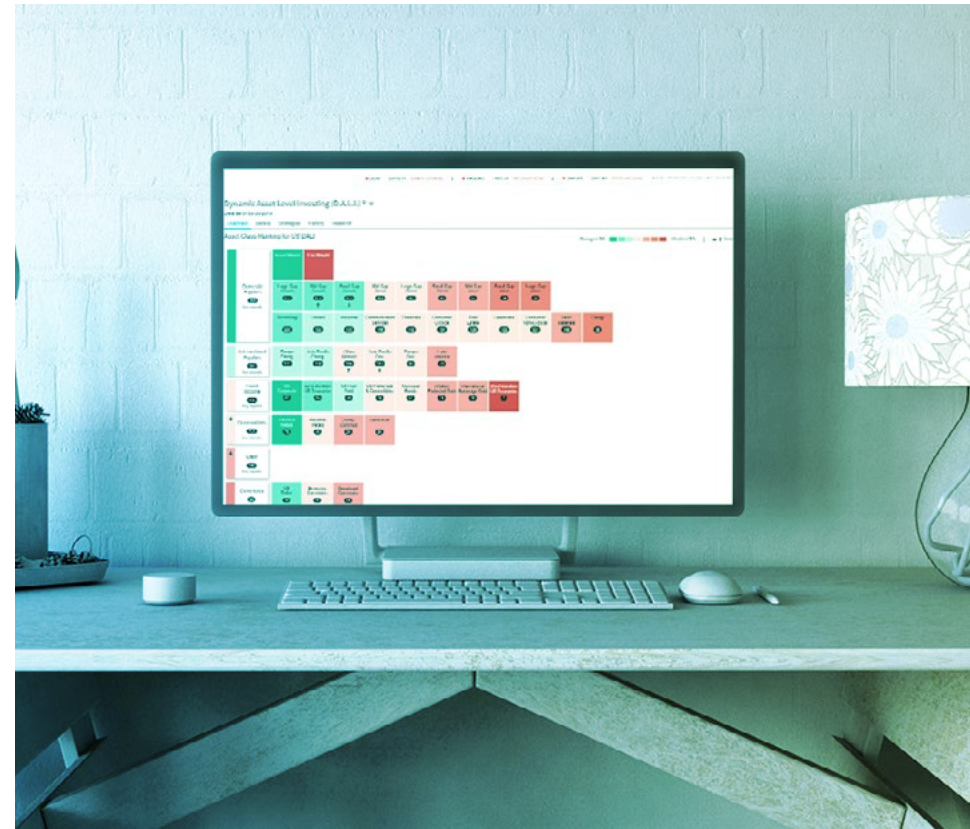
Putting it into Action

In simple terms, DALI ranks six asset classes from strongest to weakest, giving you the ability to over-weigh the strong asset classes and to under-weigh the weak asset classes in your portfolio. You can also use DALI to create a turn-key strategy.

For example, for moderate allocation framework driven by current DALI rankings, select **DALI Strategies** under the **Asset Allocation** menu and select the **DWA Moderate Tilt Strategy**. Take note of the minimum and maximum thresholds assigned to each of the asset classes. The highest ranked asset class should receive max allocation, while the weakest asset classes should receive minimum allocations.

Click on the **Allocate Strategy** button to fulfill the recommended allocation for each asset class through NDW-guided ETF models or other securities.

Play video: [click](#) to see it in action





Guided Model Portfolios

NDW offers a suite of more than 100 rules-based portfolios, offering turn-key investment solutions to empower advisors with the advantages of a relative strength-based approach to investing. Models are offered for U.S. and international stocks, ETFs, and mutual funds and cover rotation across sectors, countries, commodities, currencies, asset classes, and even factor-based approaches, such as high-dividend income and low volatility.

Use the online tools to easily combine multiple models to create broad-based portfolios and monitor rotation within that allocation.

All of our Guided Model Portfolios are built using technical tools developed by Dorsey Wright.

The NDW Research Platform offers over
100 rules-based portfolios.

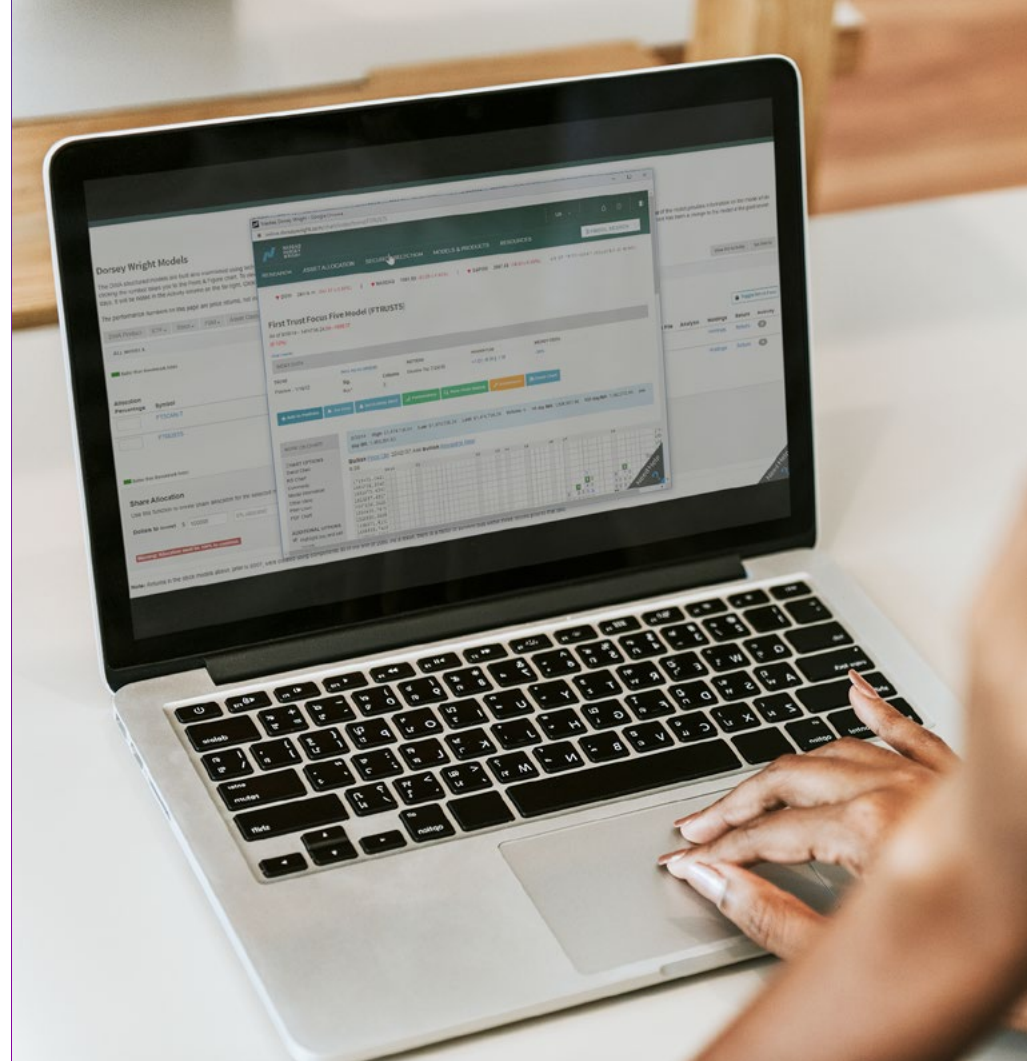
Guided Model Portfolios

Putting it into Action

Take a look at one of the most popular guided models on our site: First Trust Focus Five Model. This particular sector rotation model starts with a line-up of sector and sub-sector First Trust ETFs. The model employs a relative strength ranking system to determine which five funds to hold. Once a strong ETF is bought and placed into the model, it will remain in the model as long as it maintains favorable relative strength. If the fund falls sufficiently out of favor, it is sold and replaced with the fund that has gained a spot in the top 5 ranking.

This Guided Model approach gives you, the advisor, a full understanding of the methodology behind the model, while letting the NDW system take care of the mechanics of running the model. You manage the trades, but get the trade signals from the Platform.

Play video: [click to see it in action](#)





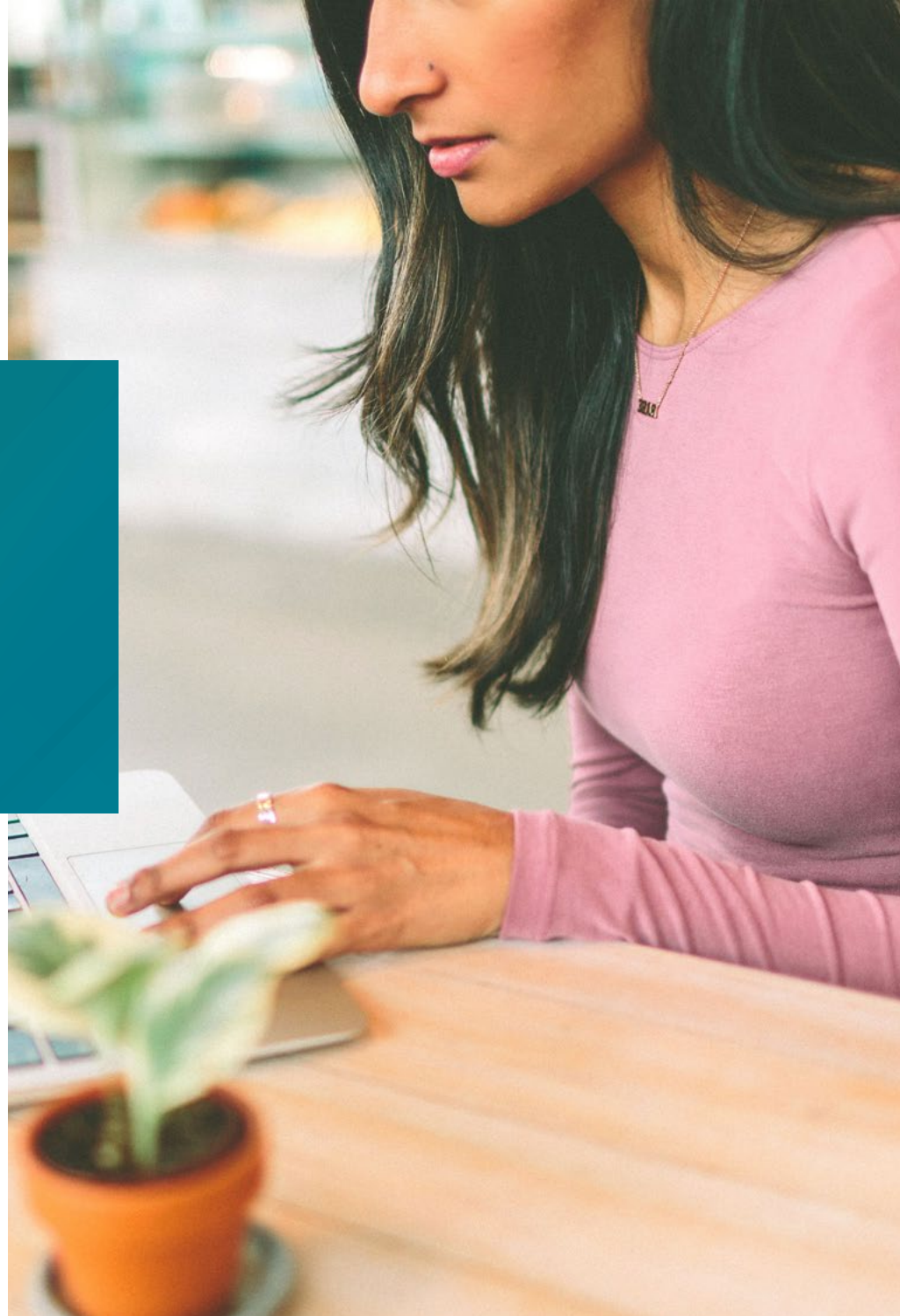
The Enhanced Security Selection Package

The Enhanced Security Selection (ESS) Package combines the power of NDW's Relative Strength Matrix and Team Builder services with the added functionality. From Portfolios to Matrix to Team Builder, this package allows you to take advantage of all of our analysis tools with a streamlined approach that will save you valuable time, and increase the scale of your portfolio management services. The ESS package also provides access to our lineup of Fund Score Methodology ("FSM") Models, designed to highlight the strongest funds within a family or investment inventory based on NDW's fund scoring system.

Relative Strength Matrix and Alert System

Designed to help advisors incorporate relative strength-based portfolios into your business more efficiently, our Matrix tool makes it easy to compare relative price movement and to add context to drive investment decisions. The Alert System enables you to set custom alerts to be notified when significant changes occur in an asset's strength, relative to the rest of your investment inventory

Rather than comparing the relative strength of only two competing assets, our Matrix tool expands the scope to compare multiple securities at the same time to determine the weakest and strongest assets in any given inventory. For instance, the platform's ESS tool can be used to compare a group of stocks—Nasdaq, Dow, ETFs, etc.—to create a Relative Strength Matrix that clearly illustrates which securities are exhibiting outperformance, and which are exhibiting underperformance.



Pre-made Matrices

The Platform also includes a vast library of pre-made matrices covering specific asset classes, including:

- » Sector/Industry Group Specific Matrices
- » World ETF Matrix
- » Fixed Income Broad ETF Matrix
- » Asset Class Matrix
- » Continuous Commodity Matrix
- » Mutual Fund Matrix
- » OEX Matrix
- » Small Cap ETF Matrix

Custom Matrices

A custom matrix allows you to create your own rankings by selecting specific securities based on your own preferences—ranking them by relative strength buy signals. Build your own matrices with up to 100 securities per matrix, giving you the power to build, track, and monitor custom portfolios—and even be alerted when any asset within the portfolio exceeds a given threshold.

Relative Strength Matrix and Alert System

Putting it into Action

To understand how the Matrix Tool works, think of it as a giant, round-robin arm-wrestling match. Two players are pitted against one another, and the weaker player is eliminated in a one-on-one competition. As the round robin continues, only the strongest players remain. NDW's Relative Strength Matrix Tool follows this same process, pitting individual assets or asset classes against each other in a battle that results in the assets with the highest amount of "wins" ranked at the top.

For example, under the **Security Selection** menu, choose **Matrix**. Once you're in the NDW Custom Matrix Control Panel, choose **Create a Matrix** and enter the ticker symbols for the Nasdaq-100. Save what is now your first custom matrix, and within minutes you can view the current Relative Strength Matrix for every stock in the Nasdaq-100 from top to bottom. Once you start working with your own portfolio, you can easily set matrix alerts to be aware whenever a shift in strength occurs within the Matrix.

Play video: [click to see it in action](#)





Team Builder

Team Builder is designed to allow you to define your investment universe and then select best-in-class funds, ETFs, and even stocks from different asset classes. Just as any coach wants to choose the best performers as the starting lineup on a team, Team Builder lets you select the best performing ETFs and mutual funds to include in your portfolio.

Team Builder first lets you choose the inventory you want to evaluate. For example, you may build an inventory of hundreds of ETFs and mutual funds from any number of different fund families.

Next, Team Builder categorizes all of those different funds into asset class categories (Large Value, Large Blend, Large Growth, Fixed Income, Commodities). The funds in each of the asset class categories are ranked by the NDW fund score. This fund score ranges from 0-6, with 6 being the strongest. This score is assigned by looking at the market relative strength, peer relative strength, and trend of that particular ETF.

With that information and layout, you are ready to choose which of the funds you will select from that broad inventory to ultimately make it into the client's portfolio.

Get advice on best-of-class funds, ETFs and stocks with Dorsey Wright

Team Builder

Putting it into Action

To begin using that scoring system in the context of a diversified allocation, go to the **Team Builder** tool under the **Security Selection** menu. Start by building an inventory of mutual funds and ETFs from American Funds, Vanguard, First Trust, Invesco, or any family of interest and importance to your business—or other fund families of your choice. When you click **Save Universe**, you will now have a sample inventory of about 500 funds, broken down into the appropriate inventory categories.

You'll see Large Cap Value, Blend, and Growth in columns at the top of the chart. Scroll down for Mid Cap and Small Cap, Global and International Diversified, Emerging Markets Equity, All Sectors, Commodities, Alternatives, Fixed Income, etc.

Each of the funds in each of those categories is then ordered by the Dorsey Wright fund score, allowing you to see "best-in-class." Next, select 10 of the funds shown to build your own allocation, and you can view the weighted average score of your entire allocation (on a scale of 0-6).

Assuming your allocation has a score of 4.5, you can set an alert to be notified when your entire allocation falls below a score of 4 (or any score you choose). You would then go into Team Builder and determine which fund(s) are dragging down your allocation, and then make the necessary changes to replace weak funds with stronger alternatives. The end result: You have a solid game plan for remaining diversified while consistently picking best in class funds within your allocation.

[Play video: click to see it in action](#)



Let the Research Platform Work for You

No two advisors use the Dorsey Wright Research Platform in exactly the same way. The reason? With such a vast library of scalable, flexible and adaptable tools, the platform is built to fit your process, your philosophy, and your business—whatever that may be. Using the Platform, you can quickly and efficiently analyze and manage your own portfolios using our custom portfolio tool, DALI, Team Builder, and our Guided ETF models. And throughout the process, you can schedule automated alerts that instruct the system to “watch the store” on your behalf.

More About the Nasdaq Dorsey Wright Methodology

At Nasdaq Dorsey Wright (NDW), we use rules-based research to cut through market noise and give you the information you need to actively manage client portfolios—by mitigating risk and uncovering opportunities. By focusing on Relative Strength or Momentum, the Dorsey Wright methodology eliminates the guesswork and risk associated with market forecasting.

It all begins with [Point & Figure](#) charting. First developed over 100 years ago, the technique became popularized in the 1940s. For the last 30+ years, our research team has used it to build smarter portfolios that deliver better, more sustainable performance by relying on real-world data, removing emotion from the equation, and adhering to portfolio thresholds.

Each night, our research team uses the Platform to compare the day's closing prices and create Relative Strength calculations. The result is plotted on a Point & Figure chart using the numerator or denominator in the calculation to illustrate which individual security is outperforming in the form of a Relative Strength Chart.

It's simple math taken to exponential proportions. The same method is used to compare broad asset classes to determine

where relative strength lies within the broader market and illustrate any change in the relative strength for each asset class.

We first started using this approach in the late 1980s when, without the help of advanced technology, we spent most of our time and resources creating just 200 Relative Strength Calculation charts per week—by hand. Today, using cloud computing, we're able to create 7.5 million charts every night to provide our clients with simple analyses and clear illustrations of when, where, and how assets should be reallocated.

Using these basic fundamentals, the NDW Research Platform gives you the power to add client value and differentiate your practice by delivering more active portfolio management and tactical asset allocation to the investment process. The results: a stronger, more effective investment management strategy—and an easy way to accelerate the value you bring to every client relationship.

[Click Here to Download the Whitepaper on Point & Figure Relative Strength Signals](#)



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