

Verification of VantagePoint Predictive Neural Index Accuracy

For the two year period September 28, 2007 to August 19, 2009

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As part of an independent verification of the VantagePoint Software, I have been requested to randomly select twelve of the over 600 markets of which VantagePoint provides data and to calculate the accuracy of the predicted neural index for each of these markets over a two year time period. In order to accomplish this task, I downloaded data provided to me from CRB and accessed it through VantagePoint Software. The following steps were taken in all twelve accuracy reports. The twelve markets chosen at random were:

Equities: Research In Motion (RIMM), Barclays (BCS), Citigroup (C), Target (T)

ETFs: Diamonds (DIA), SPDRs (SPY), iShares MSCI Hong Kong IDX (EWH)

Commodities: Soybean Oil (Cash), Sugar (Cash), Copper (Cash)

Interest Rates: 10 Year U.S. Treasury Notes (Continuous)

Forex Pairs: Euro/U.S. Dollar

Methodology:

This report uses RIMM for illustrative purposes. The exact number of trading days in the year varies slightly between categories, but the analysis remains the same.

Procedures followed:

1. Installed VantagePoint and CRB software on my desktop.
2. Downloaded data for the two year period showing the predicted neural index as well as the open, close, high and low price for Research in Motion every trading day in the specified two year period.
3. Converted the history file to an excel spreadsheet using the built-in export to excel feature in the Portfolio drop-down window of the VantagePoint Software.
4. Calculated column T which is a *Typical Price* consisting of the average of the open, close, high and low price for RIMM.
5. Copied column F, the *Predictive Neural Index*, to column U.
6. Calculated a three day simple moving average of the *Typical Price* (column T) and stored the result in column V (*3 day sma of Typ. Price*).
7. Used a nested if statement in column W to ascertain whether the predictive neural index was successful (True=1) and assigned 1 if successful, (False =0) and assigned 0 if not successful.

8. Took the sum of column W to determine how many times the predictive neural index was accurate for the two years (477 days in question—this number varied slightly according to the market analyzed). Stored the result in cell number W485.
9. Calculated the percent correct for the predictive neural index by dividing the number of correct predictions (374) by the total number of days in the two year period (477) and multiply by 100.
Note: the first two days and the last two days of the two year period were excluded from the calculations due to incomplete data.
10. The accuracy which is stated in cell W486 is 78.4% (rounded to the nearest tenth).

Summary of All Results: (see Summary Data in Excel spreadsheet)

The range of all twelve markets selected is from a low of 73.9% to a high of 83.2%

The mean of all twelve markets is 78%

The percent for each market is given below:

Market	Percent Correct
DIA	78.2
Sugar	73.9
Copper	75.4
Euro/ U.S. dollar	79.6
Soybean Oil	79.0
Ten Year US Treasuries	75.8
SPDRS	78.6
iShares Hong Kong	75.9
Target	78.0
Citigroup	83.2
Barclays	80.7
Research In Motion	78.4

