

RELATIVE STRENGTH & PEER PERFORMANCE AFFECTS

Relative Strength is the comparison of the performance between assets for the same time period. TPA prefers stocks and sectors that are showing improving relative strength.

Peer stock performance is the tendency for peer stocks to move in the same direction and, to some extent, to be more closely aligned in performance than stocks with differentiating attributes

THE BASIC IDEA

1. **TPA Prefers stocks in sectors with IMPROVING RELATIVE STRENGTH (RS).**
2. TPA's RS is the performance of a major sector measured versus other major sectors or performance of a subsector measured vs. its peers.
3. Improvement in RS is measured by ranking sectors or related subsectors in the current period and determining how that rank has improved from past periods.