

1. # of Trades Since 6/28/07: **32**

CRISS' Avg Return Per Trade: +20.24%

Dow Jones **Overall** Return: -9.728%

NASDAQ **Overall** Return: -7.415%

2.

of Trades Since 10/25/07: **17**

CRISS' Avg Return Per Trade: +13.07%

Dow Jones **Overall** Return: -10.87%

NASDAQ **Overall** Return: -11.84%



As you probably know, you can profit from a downwards move in a stock or ETF by selling-short that security. You sell it at one price first, and you try to buy it back more cheaply, profiting on the difference. (If you're not familiar, Google it later). There are many other ways to profit from a downwards move, but short-selling is the most popular.

Now, you've probably heard the old saying: "A rising tide lifts all boats," meaning when the general stock market advances, even crummy stocks trade up. On the flip side, when the general market gets slammed, even great stocks move lower.

But what many people surprisingly still don't understand is that, in down markets, strong stocks and ETFs tend to trade down by a lesser amount than weak stocks and ETFs. In up markets, strong stocks and ETFs tend to trade up by a larger amount than weak stocks and ETFs.

Everyone understands the concept of diversifying your portfolio for safety. The traditional way of diversifying assumes the market only trades up. When some of your stocks inevitably go down, you have others that go up, and hopefully the advancing positions outweigh the declining ones. Either way, you are playing it safe. That is, unless the market tanks.

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