

April 20, 2010

Lane Mendelsohn  
Market Technologies LLC  
5807 Old Pasco Rd  
Wesley Chapel, FL 33544

Dear Mr. Mendelsohn:

Per your request, I have conducted an independent evaluation of the Vantage Point neural network software.

My findings are attached.

Sincerely,



Dr. Sunny J. Harris  
PhD Applied Financial Mathematics

# Verification of VantagePoint Predictive Neural Network Accuracy

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As part of an independent assessment of the accuracy of VantagePoint software, I have conducted tests as follows:

- I selected 31 popular indices, commodities and stocks, with which I am familiar; many of which I have traded with varying success. This was from the basis of over 600 markets which are supported by VantagePoint.
- I downloaded 3 years of market data from an independent data source, CRB.
- The accuracy of each market was assessed using an Excel spreadsheet, comparing the forecast from VantagePoint to the 3-day average of the following days actual trading.
- The markets I analyzed are:
  - **FOREX:** GBPUSD (British Pound/US Dollar), EURUSD (Euro/US Dollar)
  - **FUTURES:** ES (EMini S&P 500 continuous), QM (E-mini Crude Oil Continuous), SPU10 (S&P 500 Jun 2010), SP 500 continuous, NK (Nikkei 225 USD Continuous), NQ (EMini Nasdaq Continuous), SB (Sugar 11 Continuous), OJ (Frozen Orange Juice Continuous), KC (Coffee Continuous), and YG (EMini Gold Continuous)
  - **ETFs:** DIA (DJIA Diamonds), XLV (S&P Health Care SPDR), IAU (iShares Comex Gold), XLY (S&P Consumer Discretionary), IVE (iShares S&P 500), IBB (iShares NASDAQ Biotech), PPH (Pharmaceuticals HOLDERS), QQQQ (PowerShares QQQ Trust)
  - **STOCKS:** AZN (Astrazeneca), AMZN (Amazon), COF (Capital One), WLP (WellPoint), CAKE (Cheesecake Factory), GME (GameStop), GOOG (Google), HD (Home Depot), SBUX (Starbucks), TGT (Target), WMT (WalMart)
- The number of trading days in the 3-year period varies only on the SPU10 commodity contract, where the data only goes back one year.

The procedure I followed was:

- Installed VantagePoint and CRB data collection software on my computer
- Downloaded data for 3-year period
- Ran VantagePoint on all 30 markets to collect predictive index for each trading day
- Exported history file to Excel spreadsheet
- Calculated typical price for each data point (where typical price = (High + Low + Close)/3)
- Compared the neural index to the actual price averaged over the next 3 days
- Calculated the percent correct for the predictive index
- Found the average for all indexes

My analysis found that the accuracy over these 31 markets, stated in the Overview page, is 78.2%.

Most of the markets are in the 78-82% range, with the overall average being close to 80%. The individual results are as follows:

GBPUSD 82%	SP 80%	KC 78%	XLY 78%	AZN 73%
EURUSD 81%	NK 78%	YG 79%	IVE 79%	AMZN 76%
ES 79%	NQ 79%	DIA 77%	IBB 78%	COF 78%
QM 79%	SB 80%	XLV 78%	PPH 78%	WLP 79%
SPU10 77%	OJ 77%	IAU 78%	QQQQ 78%	CAKE 78%

