

- "GroupTrader 2.0 is THE Power Tool for finding and trading Group Rotations."
- Ed Downs, CEO and Founder Nirvana Systems, Inc.

NEW in 2.0
Three Pre-Configured
Profiles for Different
Timeframes

CAPITALIZE on Herd Mentality and **STAMPEDE** YOUR WAY TO TRADING PROFITS



Greetings! At Nirvana Systems, we have been developing cutting edge tools for trading Industry Group Rotations for almost a decade.

Two years ago we introduced the Group Trader module for OmniTrader and it became an overnight success!

Now, I am proud to announce the latest release of this incredibly powerful module—Group Trader 2.0.

In this newsletter you will find numerous examples of a phenomenon known as "Group Rotation"—where institutional traders exert buying or selling pressure in an Industry Group, pushing prices of the Group higher or lower relative to the general market. An Industry can often lead or lag the market, and the vast majority of stocks in a Group usually participate in the "rotation," making them MUCH easier to trade!

What causes Group Rotations? There are many motivators. Group Rotations are usually led by fundamental factors. For example, analyst projections of an increase in global energy consumption might imply the potential for higher oil prices ahead. As a result, institutions begin accumulating Oil Services, Drillers, and other companies related to the oil industry. The public sees the prices of these stocks increasing so they buy too. Before you know it, a virtual "stampede" is underway!

As individual investors and traders, we have a huge advantage over the institutions. We don't have to start a stampede to profit from it. We can simply jump on and enjoy the ride! Group trading is generally safer than trading individual stocks. But safe definitely doesn't mean boring.

Industry Groups can earn double-digit returns, even when the general stock market is declining or going sideways. In February and March of 2008, the Airlines took a severe downturn, dropping as much as 50% in the sell-off. In March and April, Independent Oil and Gas rallied to the upside gaining over 30%. These are just two examples of the profits that can be made when "the herd" starts moving!

To identify these moves, we built a powerful Correlation feature that measures how well individual stocks follow "the herd". We then added a special multi-chart display feature to make it easy to review and confirm a Group's candidates. We also created special Group Trading Strategies and—new in Version 2.0—special Profiles that are configured to identify candidates in the Short, Medium, and Long term.

But that's not all. We wanted to be SURE traders could fully engage GroupTrader and MAKE MONEY with it, so we created a new seminar that's included FREE for a limited time with the module. I'm telling you—this thing is phenomenal. There is no other software anywhere that comes within miles of the power of GroupTrader 2.0.

Sincerely,

Ed Downs

CEO and Founder Nirvana Systems, Inc.

"Groups provide the best of both worlds—Safety AND Performance!"

Bigger Profits 81.37 2162.12 3056.99 +0.4% +0.4% +0.9 +0.9 with Less Risk! +0.1% +0.1% +0.4% +0.8% +0.1% +0.1% +0.4% +0.9 +0.9 +0.1%

Then we trade, we want the highest return possible. However, we also want the trade with the lowest risk! In other words, we want to maximize the Reward:Risk Ratio. Using Industry Group Rotation, we truly can trade the best of both worlds—high potential return at the lowest possible risk.

Trade the Most Explosive Moves

Group Rotation identifies the most explosive moves by capitalizing on "herd mentality". Consider the four charts shown here for Money Center Banks. In May, four charts in the Group had Sell Signals at about the same time. Following a two month 50% sell-off, the charts reversed with an explosive move to the upside.

In Any Timeframe

Long term investors can roll into Groups that are outperforming the market. Medium term traders can generate higher returns by trading on changes in Group sentiment up or down. And Short term traders can further leverage their results by catching quick changes in Group Momentum.

With Less Risk!

The three most important words in trading are, "Confirmation, Confirmation".

Buying a basket of symbols in a Group that is turning up has a lot less risk than buying individual stocks. And NOW, with Exchange Traded Funds, we can actually BUY THE GROUP by purchasing ONE SECURITY. ETFs have lower inherent risk than buying individual stocks and provide one of the best ways to trade the market for the long term, both in terms of risk reduction and potential gain.







Feb-Mar 2008 27 Day Move

hittitamaramuthadid

AVG MOVE: 50%

IND. OIL & GAS







Mar-Apr 2008 23 Day Move

AVG MOVE: 33%

INVESTMENT BROKERAGES









May-Jun 2008 28 Day Move

AVG MOVE: 35%

Find & Trade EXPLOSIVE Moves Like These!













May-Jun 2008 15 Day Move

AVG MOVE: 34%

OIL REFINERS









July 2008 16 Day Move

AVG MOVE: 25%

This timeline highlights five
Group Rotations that occurred
from February through July 2008.
When multiple stocks in
a Group turn at the same time
AND THE ROTATION IS
CONFIRMED in the market,
an EXPLOSIVE MOVE
typically occurs. AND, LOWER
RISK trades can be made because
we are following the money in the
market. Profit-making moves like
these occur frequently in the market
across hundreds of Industry Groups.

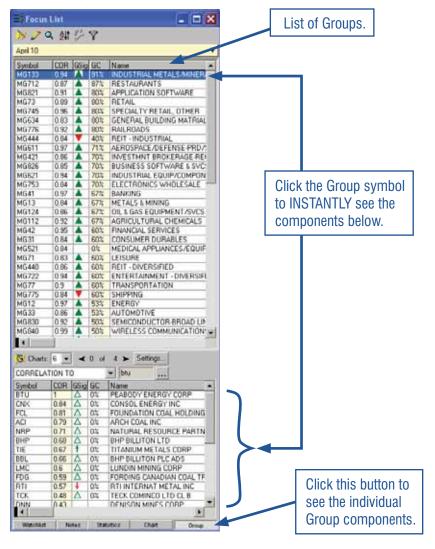
What if we could be alerted to these situations when they occur?

That's exactly what GroupTrader 2.0 does!

Turn profit potential into reality with *GroupTrader 2.0*

Power Tools for Trading the Groups

The Group List Feature



GroupTrader 2.0 will help you find and trade the most profitable Group Rotations. But the best part is that it's easy to use.

A button at the bottom of the Focus List is labeled "Group". Click this button and the lower section of the Focus List instantly turns into a Group Component View, with all of the symbols in the Group displayed! This is where the awesome power of GroupTrader is quickly apparent.

Group Consensus Signals!

GroupTrader 2.0 displays the correlation of each symbol to its Industry Group in the Correlation column (See "Correlation" on opposite page). The stocks at the top of the list are those that tend to move up or down with the Group chart. When a majority of these correlated stocks fire a Signal, GroupTrader automatically "votes" them to generate a Consensus Signal for the Group, called "GSig". This provides the earliest, most confirmed Signal possible for trading an Industry Group—with the least risk.

When multiple correlated stocks in a Group turn up (or down), a strong "Group Rotation" is likely to be underway. And that's information we can profit from!

More Fun and **PROFITABLE** than a Trip to Vegas!



You Have the Advantage

When a move starts in an Industry Group, the institutions (Mutual Funds, pensions, etc.) start buying stocks in the Group with their "buy programs". With Group Consensus Trading, you simply detect the event and jump on board for quick gains. But since your trade size is considerably smaller than theirs, you can also jump off without affecting the market. They take the risk. You take the profits. And because Group Trader 2.0 is 100% automated, it can continually track dozens of Industry Groups, bringing the high probability moves to your attention.

Our Groups or Yours

We provide over 200 Industry Groups with OmniScan—our premium fundamental and technical scanning service. But you don't have to subscribe to OmniScan to use GroupTrader 2.0, because you can create your own Custom Groups! Just select the symbols you want included and click Save As Custom Group... in the Focus List. Create your own Oil Group, your own Semiconductor Group, or ANY other grouping you want to analyze.

Correlation is the Key!

Correlation is the key to GroupTrader 's power, because its Signals are generated by a Consensus Signal from the most highly correlated stocks. We automatically calculate correlation and deliver the statistics to our OmniScan users to save analysis time. But you can also correlate to any symbol using the Correlation command in the Focus List. Just specify the symbol to which you want to correlate your list. Consensus Signals will then be generated using the new correlation values, which are then used to sort the list for powerful Consensus Group Signals.

CORRELATION

The Essential Ingredient for Trading the Groups



On our servers and within GroupTrader 2.0, we automatically calculate a statistic called "correlation" to measure how well a stock "mirrors" the Industry Group to which it belongs.

Here, we see two stocks in the Money Center Banks Group - Bank of America (BAC) and Ohio Legacy Corp (OLCB). It is obvious that OLCB tends to move erratically relative to the Group, while BAC tends to move up and down in harmony with the Group chart.

A Buy Signal in BAC could be a leading indicator for the Money Center Banks. But if five or more Correlated charts are turning up at the SAME TIME, it stands to reason that there is a fundamental event occurring that is related to the Group. Therefore, the Group itself is MUCH more likely to turn up.

Powerful Group Statistics:

BETA VS (symbol):

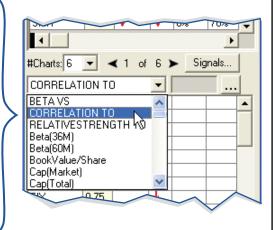
Measures the **amount** one symbol tends to move relative to another symbol.

CORRELATION TO:

Measures the *tendency* for one symbol to move with or against another symbol.

RELATIVE STRENGTH:

Measures the amount a symbol has moved in the *recent past*, relative to another symbol.



These statistics help isolate the symbols that are most predictive of Group movement, as well as those that tend to move the most consistently with a Group or a given symbol. You can measure BETA, Correlation, and Relative Strength to ANY symbol.

Know When to Get In

GroupTrader 2.0 brings together all the essential elements for profitable Group Rotation Trading. Here is a snapshot of what is included.

GroupTrader Focus List

Group Trader 2.0 provides you with a special Focus List that allows you to see the components of any Group or Sector with the click of a button.

Group Consensus Signals

Know when a Group is ready to move using Group Signals generated by a consensus of the Group's components.
GroupTrader 2.0 arms you with instant knowledge of how many of the main Group components are primed for action!

GroupTrader Toolbar

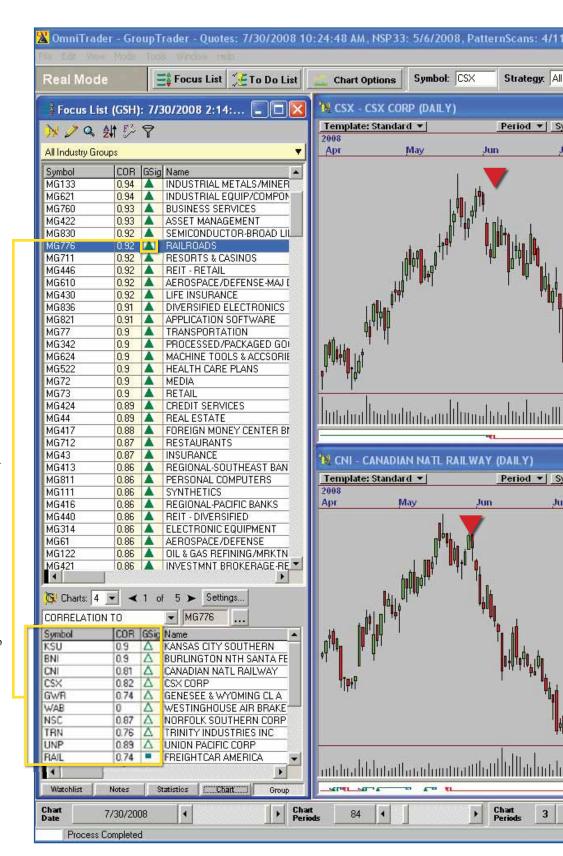
Group Trader provides you with a view of any number of charts immediately with the Group Chart Button. This powerful feature allows you to quickly page through the Group's components to find the best trading opportunities.

GroupTrader Sorting Feature

Establish several different sorts to bring the best candidates to the top of the list and control how your Group Signals are generated. Sorts can be done on numerous criteria, including Correlation, BETA and Relative Strength to the Group Signal (p.7).

Use Our Groups, or Create Your Own!

You can use GroupTrader 2.0 right out of the box to evaluate Nirvana's Groups. But you can also easily create your own Groups based on your own criteria!



and When to Get Out!





Spot Powerful Group Rotations Instantly!

When you see a Buy Signal on a Group symbol, simply click the symbol to instantly see how well the individual components are confirming the move. After just a few days, you will be amazed at the Profit Power of GroupTrader 2.0—it is phenomenal!

PLUS 3 POWERFUL NEW PROFILES!

GroupTrader 2.0 comes with three new Profiles designed to help you MAKE MONEY in three key timeframes.

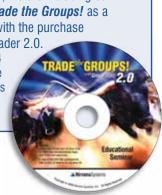
- 1. GT Short Term
- 2. GT Medium Term
- 3. GT Long Term

See complete write-up on pages 10-12.

FREE SEMINAR INCLUDED!

GroupTrader 2.0 is intuitive and easy to learn how to use. To make sure you are up and running as quickly as possible, we are including our seminar *Trade the Groups!* as a FREE gift with the purchase of GroupTrader 2.0.

See page 14 for complete details of this seminar.



Three Powerful Profiles

For GroupTrader 2.0, we developed three pre-configured Profiles as described below. Just open a Profile, run the To Do List, and start trading!

GT Short Term

If you are trading in the Short Term, you want to identify a move as early as possible, and make sure it isn't just a blip on the radar screen. GT Short Term addresses both of these needs.

The new GT Short Term Profile has been configured to use the new GT Volatility Breakout Strategy to find the Groups that are showing strong movement in the last few days. The Focus List displays the eight most highly-correlated stocks in the Group and requires 25% of them to fire in the same direction using the Group Consensus Voting feature of Group Trader, as represented in the GSig column (see page 8).



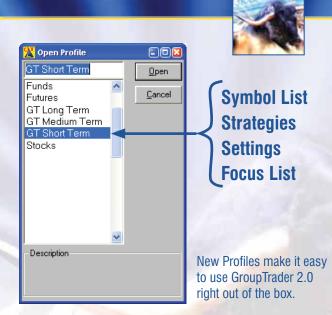
On July 22, the four top Health Care stocks fired Buy Signals. Over the next 10 days, the Group gained an average of 15%.

NEW in GroupTrader 2.0!

GroupTrader 2.0 has a number of configuration options that make it a powerful and flexible tool. But we understand that users prefer to start with a Profile that has been pre-configured with good "default" settings. And that is what we are now providing with GroupTrader 2.0.

The three Profiles included with GroupTrader are pre-configured to trade in one of three modes—Short Term, Medium Term, and Long Term. Each one has an initial Nirvana Group list, activates specific Strategies and sets the Focus List to display the right columns. All you do is open the Profile and then run the To Do List.

We have also improved the GroupTrader Strategies that are used in these Profiles. In this section we will review the components that make up these powerful Profiles delivered with GroupTrader 2.0.



for Trading ANY Timeframe

GT Medium Term

Medium Term investors and traders can also benefit from the dynamics of Group Rotation. By "Medium Term," we mean trades lasting from weeks to months. As a Medium Term investor, you want to capture a move in the market and ride it until the intermediate trend changes.

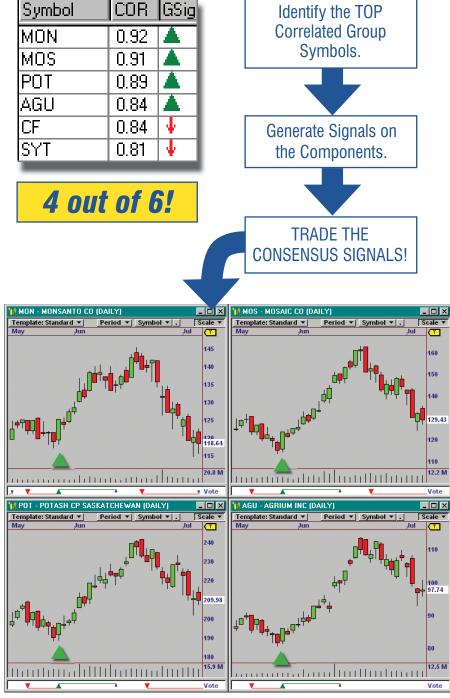
The GT Medium Term Profile uses the new GT Momentum Strategy to find stocks that are changing trend direction, offering good trading opportunities lasting from one to four weeks. The Profile has been configured to fire Group Consensus Signals when a majority of stocks are firing the same Signal (Long or Short).

GT Medium Term generates outstanding Group Rotation Signals. In the example to the right, the GT Momentum Strategy fired Signals on all four of the most highly-correlated stocks in the Agricultural Chemical group on May 28, 2008.

The Group then went into a prolonged uptrend, moving more than 30% in just one month! Then, on June 19, three out of the four fired Short Signals in the opposite direction, for another significant move to the downside.

We could have profited from trading any of these stocks individually, or we could have traded a "basket" or ETF representing the Group, as described on page 13.

GroupTrader 2.0 Makes It Easy!

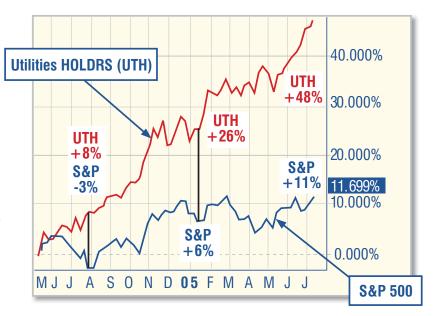


On May 28, the GT Medium Term Profile generated a Group Consensus Signal on Agricultural Chemicals for an upside move exceeding 30%.

GT Long Term

Group trading is an excellent approach for the Long Term investor. Industry Groups provide automatic diversification, the cornerstone of all investment strategies. With Group Trader 2.0, you also get Consensus Signals, which reduces risk even further. You can ALSO use a technique that identifies those Groups that are most likely to outperform the market, adding an additional level of trend confirmation.

A few years ago, an article appeared in *Smart Money* magazine discussing the concept of Trend Divergence.¹ The method involves looking for ETFs that are rising faster than the overall market (see example, right). According to the article, if you had followed the method in 2004 and 2005, you would have DOUBLED your money. Their research is based on visual omparison of ETFs against an Index. Now, we can let GroupTrader find these moves—automatically!



From May 2004 to July 2005, the Utilities ETF (UTH) dramatically outperformed the S&P 500—increasing 48% while the S&P only gained 11%. By spotting Trend Divergence early, we can purchase Groups that are outperforming the market, or sell groups (short) that are underperforming for outstanding Long Term investment potential.

Combining Trend Divergence with Group Consensus

GT Long Term uses Group Consensus Voting, similar to GT Short Term and GT Medium Term. However, instead of using a Breakout or Momentum System, Divergence is measured between each individual stock and the S&P Index. When a high percentage of stocks that make up a Group generate Divergence Signals within 10 bars, a Group Consensus Signal is generated.

In this example, we see four Money Center Banks dropping faster than the S&P 500 index in May. This condition generated a Sell Signal on each chart, leading to a powerful Consensus Sell Signal on the Group. The resulting decline was over 50% on the stocks in this Group.



¹ http://www.omnitrader.com/sm (this page will redirect to the *Smart Money* site).



ETF stands for Exchange Traded Fund. ETFs make it possible to instantly establish, increase or decrease exposure to an Industry Group, Sector or Index through a single execution. ETFs can be traded as easily as stocks throughout the trading day, bought on margin, sold short (even on a downtick), and handled as limit and stop orders.

There are many types of ETFs. We are mostly interested in the Industry Group ETFs, which are typically HOLDR's, such as SMH (Semiconductors) and OIH (Oil Services).

In GroupTrader 2.0, we provide the individual component stocks of all ETFs that are related to Groups and Sectors in the U.S. Stock Market.

We identify which ETFs are correlated to individual Groups and Sectors, and include the ETF symbols inside the Group and Sector lists. This allows you to analyze Industry Groups and trade an ETF as a proxy for the Group you are analyzing.

GroupTrader 2.0 brings together all the tools needed for successful Group trading—Automatic Correlation,
Group Symbols and Lists, three Profiles for trading in different timeframes, and a free seminar on trading Group Rotation.

Group Rotation is one of the best ways to trade, and GroupTrader 2.0 is the best and most complete tool in the world for engaging it for big profits.

ETFs Included in GroupTrader

powershares xtf

Water Resources – PHO
Aerospace and Defense – PPA
Dynamic Building and Construction – PKB
Dynamic Insurance – PIC
Dynamic Semiconductors – PSI
Dynamic Software - PSJ
Dynamic Media - PBS
Dynamic Food and Beverage - PBJ
Dynamic Utilities - PUI

iShares[®]

Cohen & Steers Realty Majors Index Fund- ICF Dow Jones U.S. Energy Sector Index Fund- IYE Dow Jones U.S. Financial Sector Index Fund- IYF Goldman Sachs Software Index Fund- IGV Russell 2000 Growth Index Fund- IWO Russell 2000 Index Fund- IWM S&P Global 100 Index Fund- IOO

Constituents Are Provided!

BHI	GSF	RDC
BJS	HAL	RIG
CAM	HC	SII
DO	NBR	SLB
ESV	NE	TDW
GRP	NOV	WFT



Consumer Discretionary SPDR – XLY
Consumer Staples SPDR – XLP
Energy SPDR – XLE
Financials SPDR – XLF
Health Care SPDR – XLV
Industrials SPDR – XLI
Materials SPDR – XLB
Technology SPDR – XLK
Utilities SPDR – XLU



Biotech HOLDRS – BBH
Broadband HOLDRS- BDH
B2B Internet HOLDRS- BHH
Europe 2001 HOLDRS- EKH
Internet HOLDRS- HHH
Internet Architecture HOLDRS- IAH
Internet Infrastructure HOLDRS- IIH
Market 2000+ HOLDRS- MKH
Oil Services HOLDRS- OIH
Pharmaceutical HOLDRS- PPH
Regional Bank HOLDRS- RRH
Retail HOLDRS- RTH
Semiconductor HOLDRS- SMH
Software HOLDRS- SWH
Telecom HOLDRS- TTH

PLUS over 300 more!

Utilities HOLDRS- UTH

Wireless HOLDRS-WMH

In GroupTrader 2.0, we include the individual components for those ETFs related to the U.S. Stock Market. ETFs provide an excellent way to trade baskets of stocks using a single security. Many Industry Groups have a corresponding ETF that can be traded in place of a custom basket. We make it easy to determine which ETFs are correlated to which Sectors and Groups.



Part I of the seminar introduces you to the phenomenon of Group Rotation. In just a few minutes, you will see why this technique is so powerful, and how it can be used for trading the market in any timeframe.

by veteran Group Trader Steve Belknap and

seminars on our products for many years.

our daily market analyst, Ryan Levinn-Coon. Steve has been trading the markets and giving

Then in Part II, our presenters take you on a uided tour through the "nuts and bolts" of the module, showing you how to use all the new features, including the Group List and Correlation tools. They will explain the difference between the three NEW profiles—which ones are best for different trading objectives. Ryan will also show you how to use the statistics—Correlation, Beta, and Relative Strength. These statistics are very important in finding the best candidates, especially if you create your own Custom Groups.

Trade the Groups! will enlighten, inform, and empower you to engage the market using the Group Rotation concept.

TRADE**Groups!

with **Group**Trader **2.0**

Seminar Agenda:

Part I: What is Group Rotation?

- Clear examples that show you how this can be a path to BIG PROFITS in any market condition
- Unlocking profit potential using correlated chart patterns
- Which Groups are the easiest to trade
- · How to spot the Movers and Shakers
- Introduction to ETFs

Part II: Using GroupTrader 2.0

- · How to use the new Focus List
- · Using Correlation and Beta to maximize your profits!
- How to use the POWERFUL new Group Signal
- Creating and Using your Own Custom Groups for basket trading
- Customizing the Group Window
- Demonstrating the power of the new statistics CORRELATION—BETA—RSI
- Review NEW SHORT—MEDIUM—LONG Term Profiles
- Prospecting using GroupTrader 2.0
- Confirming the EXPLOSIVE moves using key chart patterns

"Trade the Most Explosive Moves in the Industry Groups in ANY Timeframe with LESS Risk!" - Ed Downs





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