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Not every HCM-BuyLine[®] buy and sell will result in a profitable trade. There will be times when following the indicator results in a loss. However, there have been situations in the past in which HCM reduced clients' exposure to equities during market downturns by following an HCM-BuyLine[®] signal, thereby preserving capital. An important goal of the HCM-BuyLine[®] is to outperform the market on a long-term basis. The reason is the mathematics of gains and losses. A portfolio which suffers a 30% loss takes a 43% gain to return to the previous portfolio value.

The HCM-BuyLine[®] is a reactive indicator, not a proactive one. It will not catch the first 5–10% of a bull or bear market. Ideally, it will avoid most of the downtrends and catch the vast bulk of the uptrends. There may be times when the use of the indicator will result in a loss when we re-enter the market. Other times there may be a modest positive impact. When severe downtrends occur, however, such as in 2000-2002 and 2007-2008, it has the potential to make a significant difference in portfolio performance.

Naturally, there can be no guarantee that the HCM-BuyLine[®] indicator will perform as anticipated. Stoploss protection will not necessarily limit your losses to the desired amounts due to the limitations of the HCM-BuyLine[®], market conditions, and delays in executing orders. It is not an actual stoploss order that automatically sells securities in the portfolio at a certain price.

No current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark for measuring the performance of a portfolio. All investment approaches have the potential for loss as well as gain.

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