

Deletion Test Worksheet

Signal Pilot Education — companion to Lesson 95: The Book on One Card.

A book of rules is easy to admire and hard to justify. The test is not whether the book beats one of its members; it is whether every member earns its place. On the lesson's four-rule book, three of the four deletions improve it. This worksheet runs the same test on yours.

Educational only. Trading involves substantial risk of loss. Not financial advice. Past performance does not guarantee future results. Every number in this worksheet is one you measure on your own record; the figures in the right-hand column are what the lesson measured on its own book, and they are there to be disagreed with rather than copied.

1. Put the book on one card

One row per rule, and one row for the book that holds them all. Use the same bars and the same cost for every row.

Rule	Net return	Turnover	Worst run
A			
B			
C			
D			
Equal-weight book			

2. Delete one member at a time

Rebuild the book without each rule in turn. Nothing else changes.

Book without	Net return	Better than the whole book?
A		
B		
C		
D		

	Your number	Lesson 95's book
Deletions that improve the book		3 of 4

A member whose removal improves the book is not diversification. It is a rule you are paying to run.

3. Check the book against its best member

	Your number	Lesson 95's book
Best single rule, net return		
Whole book, net return		
Does the book beat it?		no
Best single rule, turnover		
Whole book, turnover		
Best single rule, worst run		
Whole book, worst run		

On the lesson's grid one rule beats the book and every three-rule book inside it on net return, on turnover and on depth at the same time. If your own card says the same, the book is a habit rather than a decision.

4. Write the sentence

After deleting _____, the book _____. The member that earns its place least is _____, and the reason I am still running it is _____.

If the last blank is hard to fill in, that is the finding.

What you are holding when this is filled in

One count and one comparison. The count is how many of your rules the book is better off without; the comparison is whether the book beats the best thing in it. Neither is an opinion once the card is filled in.

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