



Automated Investing with Discipline.

***The Strategy That Adjusts.
Automatically.***

AUTOMATED ALLOCATIONS

Introduction Part 2

Let's introduce the happily married couple that will help us with our studies. These two have totally different approaches to investing. Our couple each inherited \$100,000 when one of their fathers passed away. After discussion, they decided they would each put half in the S&P 500 and half in the NASDAQ 100. After a more heated discussion, they agreed one would use AUTOMATED ALLOCATIONS while the other would stick to the indexes.

First, we have Mr. Buy & Hold (Mr. B&H). Mr. B&H starts with a \$50,000 position in SPY and a \$50,000 position in QQQ and holds on through thick and thin. This is known as "Index Investing".

Next, we have his wife, Mrs. Automated Allocations. Mrs. AA will do things a little differently. She will allocate \$50,000 to UPRO and \$50,000 to TQQQ. But, she will only actually buy a bit more than 1/2 of her allocation, preserving the other 1/2 - her "dry powder" - for future purchases as dictated by Automated Allocations.

We will compare the results of our happy couple as they launch their funds in different market scenarios.

We previously discussed all the things users of Automated Allocations **DON'T** have to do. The user only needs to make two decisions...

- How much is the user committing to AA?
- When is the user making this commitment?

After that, AA takes over and advises whether to buy or sell, how many shares to buy or sell, and at what price to buy or sell.

Next, let's look at the ease of use and simplicity of AUTOMATED ALLOCATIONS.