Automated Allocations

The Strategy That Adjusts… Automatically.

Video Script
Video 4
The App, Getting Started

Our first video explained a bit of the background that prompted the development of Automated Allocations. For a more detailed discussion on the history of AA, watch the Meet PAM video elsewhere on this site.

Our second video discussed returns on investments, emphasizing the annualized rate of return as the only way to compare investments.

Our third video introduced the two ETFs used by AA.

Automated Allocations is a simple, proven approach to systematic investing that removes emotion and maximizes returns. AA's algorithms tell you exactly when to buy and sell leveraged ETFs. No stock picking, no emotions, just systematic profits.

The Automated Allocations App is powerful, turning AA's algorithms and choices into simple keystrokes. Yet, as powerful as the AA App is, it remains intuitive, making the complicated feel simple.

Let's take a look at getting started with the AA App.

After we receive your Request for Permissions form, you will receive an invitation email from Automated Allocations App. Click on the "Access app" link, then the "sign up" link at the bottom of the form. Fill in your email and make up a password. A verification code will be emailed, enter it in, and you'll be greeted with this screen…

This is your, create your first portfolio screen. Click or hit enter to go to the next screen where you will name your new portfolio. Don't get too excited, you're not locked in. You can always change it later. We're gonna name our first portfolio PAM one.

The next step is our first buy calculator.

We're almost to the nuts and bolts of the automated allocations app, but we first have to figure out our starting position. We know we want to start with a $3,300 investment. As yet, however, we don't know how many shares to start with.
We plug in our $3,300 initial commitment and correct the date if necessary.

We just checked UPRO is trading at about $89.36. When we put that price in, the calculator tells us to buy 19 shares.

Now armed with the number of shares we need to buy, we can go back to our online account and put our order in to buy 19 shares of UPRO at the market. We can always edit our transaction to match our fill, so let's just hit the enter and get started.

And here we are, the automated allocations app. There's a lot here, so let's take a quick tour.

On the top left, we can choose which portfolio we will be editing. We can create a new, rename an existing, make a copy of an existing, and delete a portfolio.

The next important fixtures on this page are, as we slide over to the top right, first we can see the account email that we are logged in under. To the right of that is the log out button.

That brings us to our next stop, the header. These 3 boxes present an overview of the current status of this portfolio. In a compact form, we can see where we started and where we are now.

And now, looking down to the next section of the page is the action menu. This is where we will be doing our work. Each button will bring up a slightly different view, supplying all the tools we need. We'll look deeper into each menu button in the next videos.

Finally, the lower section is our trade history. The topmost orange line is a pinned first trade line. As time goes on, it's nice to be able to see and remember where we started. As the number of trades grow, you'll be able to scroll down through the history. Here, you can also edit and if necessary, delete an entry. Speaking of editing an entry, remember when we put our order in to buy the 19 shares at the market? We got our fill back and we bought 19 shares at $89.52. We want to be sure our trade history is accurate. We'll edit the transaction. We just click on the edit button, make our edits, and press the save. There. Now we're caught up, updated and ready to go.

The only thing left to do is note the calculated next buy and next sell points. We suggest signing up for alerts from your broker. It should be simple and free. Basically, we want to go fishing or whatever, and in this case, get a text or email telling us the price of UPRO has traded below, say, $75 or above, say, $112. That would let us know we're a couple dollars away from one of our targets.

And at that point, we can put in either our buy two at $73.25 or sell one at $113.94.

Entering a trade is very simple. Let's go ahead and enter a couple of trades so you can see how easy it is. Let's assume we had our alerts in and got an alert that UPRO was nearing our sell target. So, we put our order in to sell one at 113.94 and it was filled at that price. The action menu generally defaults to the trade button, so all we have to do is enter is the date, the price, and the number of shares and hit the enter.

Notice, we now have new buy and sell targets. We update our alerts and go back to fishing or whatever.

We have our new alerts in and the market decides to take a tumble. We get alerted that price is nearing our buy target, so we place our buy order. It is filled and we enter the trade. Notice the buy sell toggle button automatically defaults appropriately. This is based on the price entered when booking a trade.

While we're at it, since we're using good till canceled orders, what would happen if the market opened way beyond our order price? Let's assume the market continued to tumble. We have our order in to buy two at 72.74. One day, the market opens way down at 70.59, and that's where we are filled. No problem. Remember, automated allocations adjusts automatically. We just book the trade as it happened and AA issues the new marching orders. Once we get this entered, we can see our new buy and sell targets have changed again and have adjusted for the lower price fill.

This would be a good time to talk about rules. We don't have too many, only two, actually, but we do have to abide by them. At this time, let's introduce rule number one. It's simple. We do no more than 1 trade per day. It's possible on a day like we just described to have a 2nd trade available. We don't do it. One trade per day. See what happens tomorrow. So there we have it. We've entered a couple of trades. We're beginning to build a trade history, and we've seen the buy and sell targets changing with each trade. Next, we'll learn all about the PAMMY. Enjoy.