Automated Allocations

The Strategy That Adjusts... Automatically.

Video Script
Video 7
The PAMMY Plus!

In the previous two videos, we discussed two of the unique methods Automated Allocations employs to achieve elite-level results. The first is the PAMMY. This is how we put cash already in the portfolio to work. The second is AA Plus! This is how we add new funds to the Portfolio. Both of these come under Rule Number 2, meaning, they are executed on the first trading day of January, May, and September. Every four months. Three times each year.

Now, it's possible, even probable, that a user will have enough cash in the portfolio for a PAMMY, and also have the desire to add new funds to the portfolio. Maybe the user is committed to entering the Roth IRA max once each year. Maybe it's our example of the twenty-year-old that is going to save $100 each month, and then add $400 to the portfolio every four months.

What do you get when you marry the PAMMY and AA Plus? Introducing the PAMMY Plus! In one operation, Automated Allocations will use the specified funds on hand, AND, add new funds to the portfolio, AND give us the funding shares for the trade.

Let's take a look at the PAMMY Plus!

We're back on our test portfolio. Let's just scroll down and review what we've done so far. We've covered a lot of ground, but Automated Allocations still has a lot left to show. We've had some AA Pluses, some buys, some PAMMYs, and even one sell.

Let's go back up and go through the menus. We're on the trade menu; we know what's there.

Next up is the PAMMY menu. We recognize this. We have the cash available box, the funding shares box, and the PAMMY amount box. Then we go to the AA Plus menu. Cash available isn't needed, that's gone. We have funding shares and the AA Plus amount.

Now let's look at the PAMMY Plus! Menu. Hmmm. Obviously, this is a combination of all the pieces necessary to perform both a PAMMY and AA Plus. We have all of our information boxes, cash available, funding shares, PAMMY amount, and the Optional AA Plus amount. We have the date and price fields, the PAMMY amount field, and the AA Plus amount field. Finally, we have the shares field, which the funding shares will calculate for us as the information is entered. We only have $67.90 left in cash. Let's put a couple of sells in so we have the funds to do the PAMMY side of the PAMMY Plus.

Let's go to the trade menu and put our sells in, check the next sell point. As usual, get the date in. Our trade confirmation confirms our fill price was as we had ordered, $108.87. Enter the fill price and then the 7 shares, enter and done.

Let's do one more. Check the next sell point again. Enter the date. Our sell price is $119.46. Get that entered. Now the number of shares, 6, press the enter and done.

Now, thanks to those two sells, we have $1,546.75 cents in cash available. Christmas comes and Grandpa gives our user another $3500 as a Christmas gift. Already excited to do a PAMMY in January, the grandchild now gets to do a PAMMY Plus.

The first trading day of January finally comes. We get to do a PAMMY Plus. We check the current price of UPRO and enter the date and price, $116.33. We're a little excited here. First, we need to get to the PAMMY Plus! menu. Let's get our bearings for a second. The PAMMY amount is over there, enter that first, that's $330. Now, the AA Plus amount, thank you, grandpa, and our funding shares tells us to enter 43 for the number of shares. Let's take a minute to look this over before we hit the enter.

OK, let's hit our enter and see what we've got. The first thing that catches our eye is we are apparently out of funds again. AA used just about everything we had. You can see in the trade history, our cash is down to $44.56. Now, let's scroll down here a bit and take a look at how this was booked. You notice right away, there are two entries for the PAMMY Plus. It looks like AA first books the cash in from the AA Plus side of the equation. Then, it books the shares purchased from the combined PAMMY and AA Plus calculations. All in all, everything looks good. It is interesting, we added $3500 to our portfolio, along with a $330 PAMMY and AA told us to buy $5,002 of UPRO. Other than that curiosity, all is well. We aren't going to spend any more time on the PAMMY Plus!. After our previous discussions on the PAMMY and AA Plus, it should be clear when and how we would use the PAMMY Plus.

Click the link below titled Bonus Video. Here we offer a detailed look at two studies, each spanning 11 years. See the PAMMY, AA Plus, and the PAMMY Plus all implemented from the beginning of 2015 using historical data.
Enjoy.