Welcome back to the *Rude Awakening,* folks.

Today is Friday, February the 19th, 2021 and we are on our last day of the introductory training and overview for the asymmetric trading system.

We've spent 10 days now going through step by step how this approach to managing your portfolio works. And we're on the last day, day 10 of 10, where we're going to look at the real world results. We'll go through our entire last month's day by day results so you can see how this works.

And it is again, focusing on asymmetric trading, taking less risk than profit potential. And so just again, quick review of the system, we do use a risk reward ratio of one to three, we're risking only $1 for every $3 of profit potential that we can get. It is an automated trading system. And so it's not something that you need to watch throughout the day. Generally takes about five minutes a day in the morning time as the market is opening up to set up the trades and then they automate from there, they'll either exit at their own profit or they'll exit at the amount that we specify, but they do it on an automatic basis.

We do have a little bit of a accretive leverage. We use 20% leverage in the program, and that should give us a little bit of an edge or an advantage over just unmanaged investment like the S&P 500. Almost no fees or commissions in this. If you use the broker that we recommend, they do not charge commissions for buying and selling shares of stock. There is a tiny, tiny fee that the stock exchanges tack onto every transaction that you just can't get away from, but almost no fees or commissions in the system and that's always nice.

Works in bullish and bearish markets. Boy, that's becoming a little bit more important right now as we start to see the market waver a little bit, wouldn't it be nice to make money in the down markets as well as the up markets. It is a focus in on the risk management aspect of this. One of the questions is always, "Well, how much money are we going to make?" And we never know that, we never know the answer to that because it's of course, based on what the market does, but we do know and we can control how much risk we take.

And so it is a program that is focused on risk management first, profits second, but we do focus on positive alpha returns. And that is simply when we say positive alpha, it just simply means that we are striving to get a better return than the unmanaged market itself. In other words, you could just take all of your life

savings, throw it into the ticker symbol SPY, that's the ETF that tracks the S&P 500, and you would get whatever the market would give you. If the market goes up 15% in a year, that's pretty much what you're going to make. Our goal is to be positive alpha, to do better than the market with lower risk.

We do use a small, a synthetic covered call position in the overall portfolio that helps smooth out the returns. It helps lower the risk and it helps give us a consistent income stream coming into the program as well. That gives us a little edge or an advantage, and we are able and we do from time to time take in all cash position. There will be days when the market is so volatile or uncertained that we just sit in cash. And that sometimes is the best strategy to take when you're in an uncertain market environment.

And then it does have a little bit of overnight risks. We do hold positions overnight, but it has much less overnight risks than just simply throwing all your money into the marketplace and leaving it sit in a passive manner.

So let's go ahead and let's take a look at the results from last month's trading. This is the full month's results from January 4th, all the way through January 29th. Those are the trading days that we had in the month of January. And you can see a couple of interesting things there. So our starting balance there is about 25,401. Now, again, we recommended that you do have a starting balance to do this of over $25,000.

And the reason for that is PDT rules are going to come into effect on this, that is a pattern day trading rules. Where you can only buy and sell the same security three times in a rolling five day period of time. If you do more than that, they're going to lock up your account because you don't meet the day trading standards. So if you have $25,000 account value or greater, that rule doesn't apply.

So we started with 25,401. You can see our first day two wins, eight losses. Day two four wins, six losses. Very, very, very rare event on January 6th there with actually 10 wins and only one loss because you'll see as we go forward here, the majority of our days we're losing much more frequently than we are winning, and that is by design. Remember, in a system where we're taking a three to one reward to risk ratio, we only need to be successful 25% of the time to break even, to not lose money.

If we're successful 30% of the time, we're making profits. And that's basically again, down to the risk management. So we want to take a lot of losses, but very, very small losses. And then when our winners hit a more than make up for those tiny, tiny losses. But yeah, that's a very rare event right there, 10 wins and one loss. Five wins, six losses.

On January 8th, we had our first down day, about $84 down on the day, but you can see our balances are still being pretty stable there as we go forward. We did have all and you can see all across the board here, our weekly synthetic covered calls. They expired fully profitable for us, and they definitely, they definitely contributed to our overall result for the month. That one anchor position was very, very important for us.

So we continue on and we get up to January 13th. You can see we had four wins, eight losses. Three wins, seven losses. Four wins, six losses. This is the first time right here, this was three days in a row of losses that we incurred. That was the longest losing streak that we had during the month. Back to nine wins, one loss. That was a good day. And then this is an interesting day right here. We did lose $127 on the day, but we had zero wins and 11 losses. Now that is not a bad result on a $26,000 portfolio. It's not too shabby of a result when every single thing you touch loses money on the day, that's pretty darn good risk management right there.

We continued on, had another day here where we only had one win and a nine losses, down $198. That was our maximum drawdown for the month. And again, when you can get a draw down like that, that's your maximum drawdown in any one day, that speaks pretty highly to the risk management approach. We had four wins and six losses on the next day, January 26th, pushes us a little bit higher into the profit zone. And then we had a couple of days here where we had no trades, no trades took place.

And this was a very, very volatile end to the month year. Mark was all over the place and we sat in cash. Remember cash is a position, and we will take that from time to time when we don't get a clear buy or a clear sell signal. And then the very last day of the month, again, we had our synthetic covered call position expire, fully profitable for us and that helped boost us as well from our rates of return.

So you can see over the months trading periods and very, very interesting results came out of that. Number one, we made about a $1,231 profit for the month on a

$25,401 starting balance. That's about a 4.84% return in a one month period of time. Now, from a regulatory standpoint, we never want to extrapolate out or annualize out returns because we don't that that's going to happen every single month. And we certainly do know that it won't happen exactly at that amount, but it is always interesting to look at APRs so that you can make apples to apples comparisons from one investment to another. And really no matter how you slice it, 4.84% return in a one-month period of time, pretty darn impressive.

But I think what was more impressive than anything else was we did in fact achieve positive alpha. And again, positive alpha, alpha is just simply the ability to make more money than the marketplace at a lower risk level. We brought in 4.84% positive return for the month. And for the month of January, the S&P 500 was actually down, it actually lost money. It was down 1.11% for the month.

So not too shabby and pretty darn good performance, I will say. And what is also interesting 13 profitable days versus six losing days. So we lose quite a bit, but again, the losses are kept to a minimum. It's a hard concept to get that we strive for losses. We want to take a lot of losses because we're going to be taking them much more frequently than we will be taking profits because we're going to set our risk so darn tight in the marketplace. So 13 profitable days, six losing days. Nice result for the overall approach folks.

Next steps for you as an investor. Well, next week, I'm going to roll out a training module for you and you can take it step-by-step. You can use it as a blueprint. You can use it as a training manual and you can use it as a step-by-step approach to go build this portfolio system by yourself. Go out there and put it together piece by piece by piece or give you the option to follow a pre-built system where we give you all the setups every day at the start of the morning, and you can just plug and play. It takes about five minutes a day to put your trades in and then let them manage themselves. Either way folks, I want you guys to have the ability to be the best investor that you can possibly be. So we'll talk to you next week. Have a great weekend that's coming up, we'll talk to you on Monday.