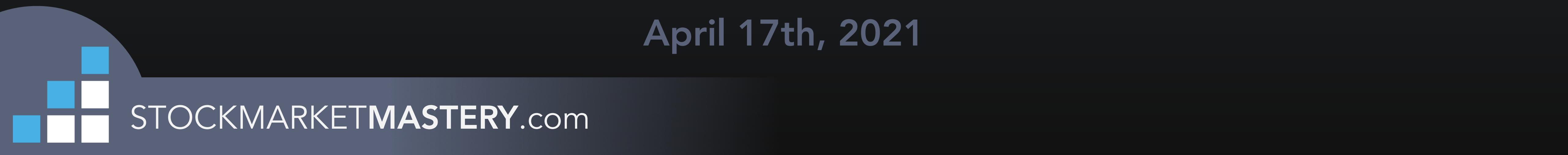


The Most Impactful Investing Lessons I Taught My Son

Gatis Roze

April 17th, 2021



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Gatis Roze

MBA, Stanford Graduate School of Business ('81)

Silicon Valley entrepreneur turned individual investor

Author, **Tensile Trading** (Wiley, 2016)

Author, **The Traders Journal**, *StockCharts.com*

Co-Founder, **StockMarketMastery.com**

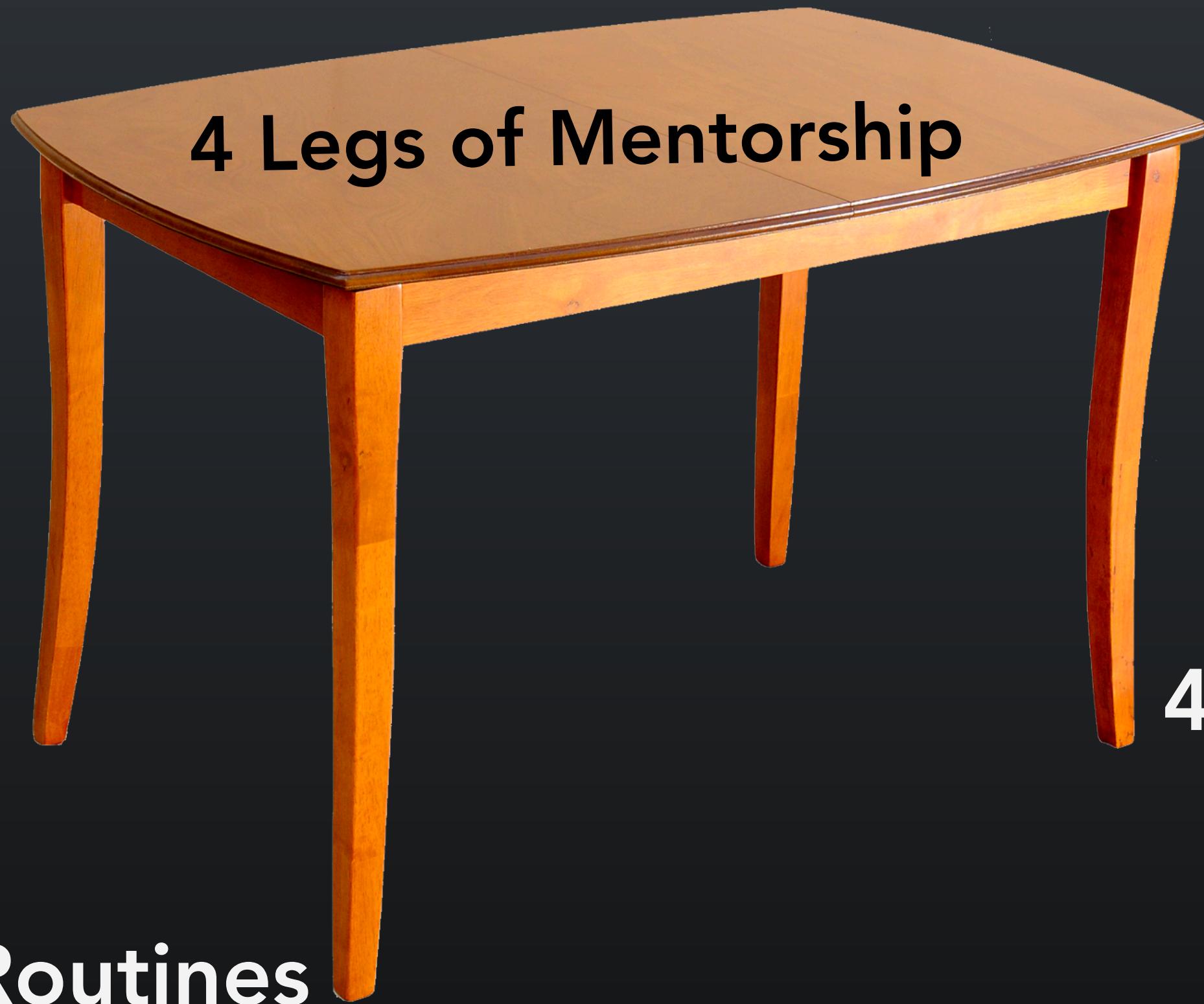
MONEY MENTORSHIP

1. Sparking Motivation

2. Understanding
The Investor Self

3. Tools, Skills & Routines

4. Action



STOCKMARKETMASTERY.com

1. Sparking Motivation

- Money talk is not taboo
- Stories about your experiences
- Investment games - boards / online
- Open an account / match deposits



2. Understanding The Investor Self

- Psychology of investing / journal
- Personal roadblocks, beliefs and baggage
- 5 stages of investor growth
- Emotional and behavioral control



3. Tools, Skills & Routines

- 10 stages of mastery / roadmap
- Rational Analysis — technicals + fundamentals
- Stalking, buying, monitoring, selling
- Risk tolerance & management

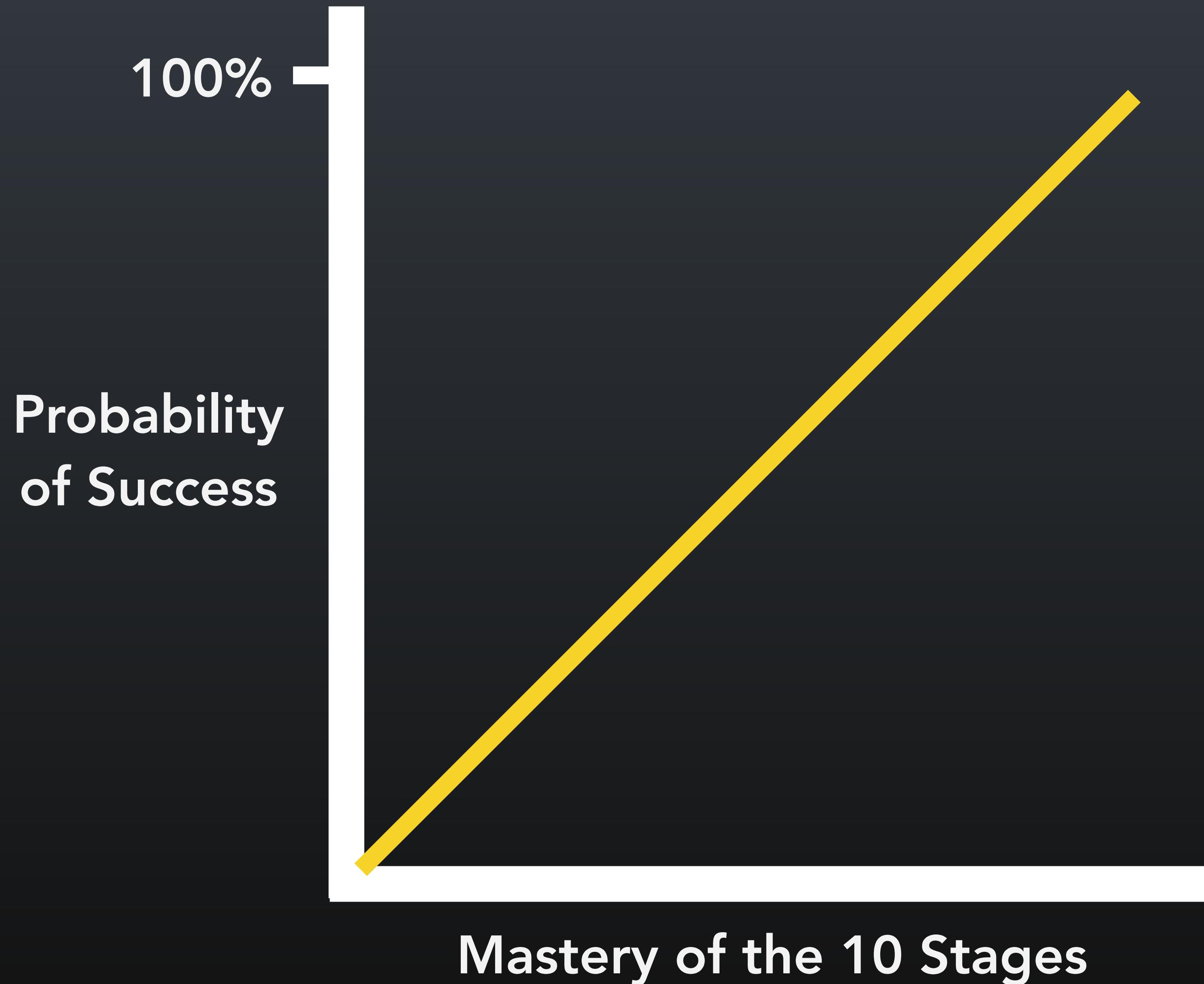


4. Action

- Proper engagement and execution
- Choices and “analysis paralysis”
- Costs and fees matter
- Portfolio trackers



Stock Market Mastery





Wiley Trading Series

WEB
SITE

TENSILE TRADING

THE 10 ESSENTIAL STAGES
OF STOCK MARKET MASTERY

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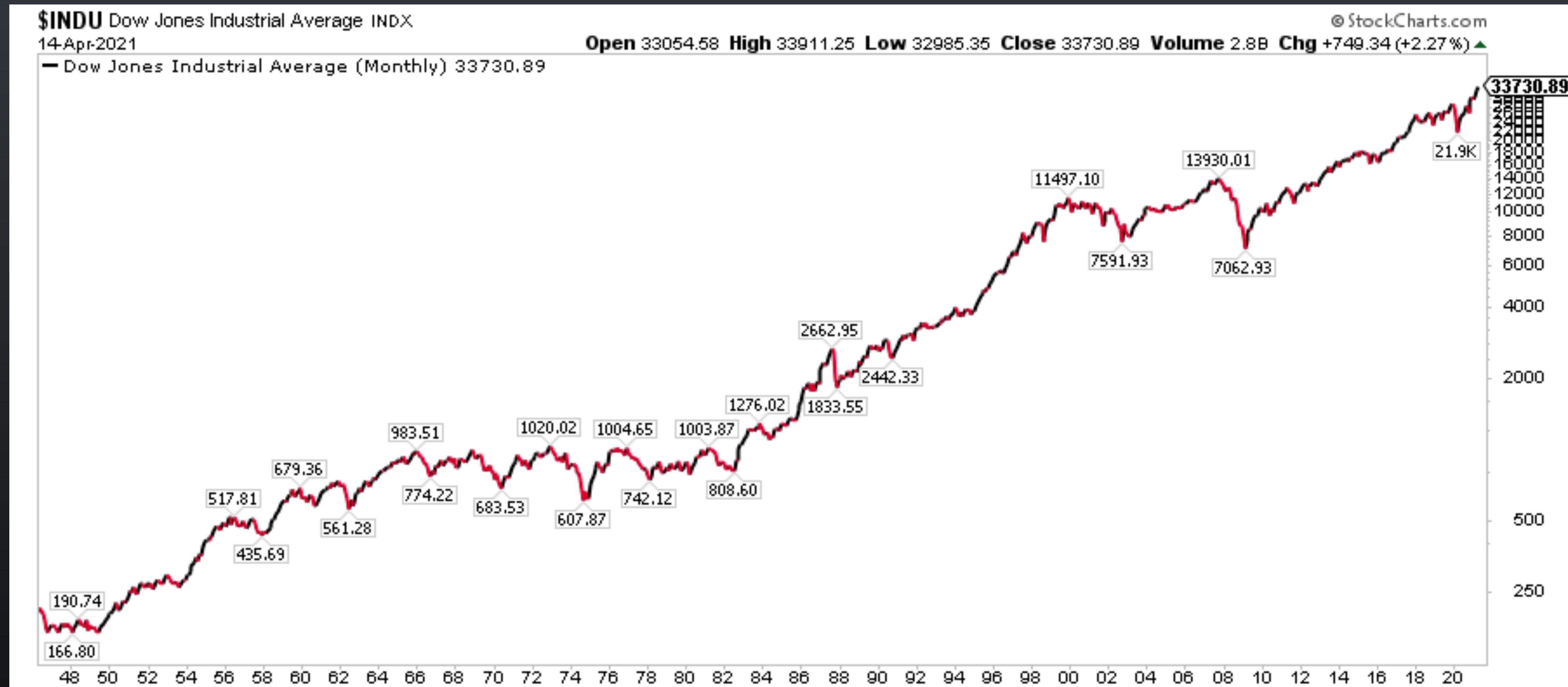
WILEY

A detailed 10-stage roadmap
to help investors develop
their own consistently profitable,
high-probability investment system

Available Online, in Stores and as an eBook

WILEY

Decades of the Dow



Lesson:

Avoid Major Blunders

- It's not how smart you are – it's avoiding dumb mistakes
- Greater investor returns can result from attempts to avoid behavioral blunders
- Learn from Charlie





"It is remarkable how much long-term advantage people like us have gotten by trying to be consistently not stupid, instead of trying to be very intelligent"

- Charlie Munger



Common Blunders

- Not saving or starting to save too late
- Not embracing tax-advantaged accounts, i.e. 401(k) or IRAs
- Being scared of the stock market
- Starting social security too soon
- Not having a budget
- Credit card debt
- No investment plan
- No emergency fund
- Financial laziness or procrastination



Common Blunders

- Stubbornly holding onto losses
- Wanting to make a quick and easy buck
- Buying on tips, rumors, split announcements, etc.
- Not using charts and being afraid to buy
- Failing to understand the importance of buying quality
- Speculating too heavily in options or futures
- Not being able to make up your mind when the time comes



Lesson:

Discipline

- Impulsiveness is deadly to your financial wellbeing
- Your investing system is only as strong as your discipline to stick to it
- It's not about IQ – it doesn't matter how smart you are or how clever your trading strategies are
- Without the discipline to stick to your routines, you will fail



Lesson:

Emotional Control And “The Investor Self”

- Emotional control is half the battle
- With emotions in check, your profits will soar
- Foster a keen (and ongoing) understanding of your “Investor Self”
- Successful investors know themselves — their strengths, their weaknesses, their advantages and their shortcomings
- Most importantly, they are brutally honest with themselves and use their self-awareness to their advantage



Lesson:

“Buying Is Stage 7”

- “Randomness Ruins Riches” – investing is more than picking stocks
- You need the proper foundations in place that will help set you up for successful trading
- Asset protection comes before asset growth
- Savings Attitude
- Insurance, Tax Strategies, and Record Keeping
- Risk Management and Asset Allocation
- Estate Planning – teach your kids about money!



WHERE DOES IT FIT?

Your CORE portfolio fits **here**.

Step 1



Asset Creation

Step 2

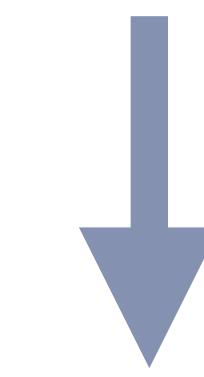


Asset Protection

Step 3



Asset Growth



Your EXPLORE portfolio fits **here**.



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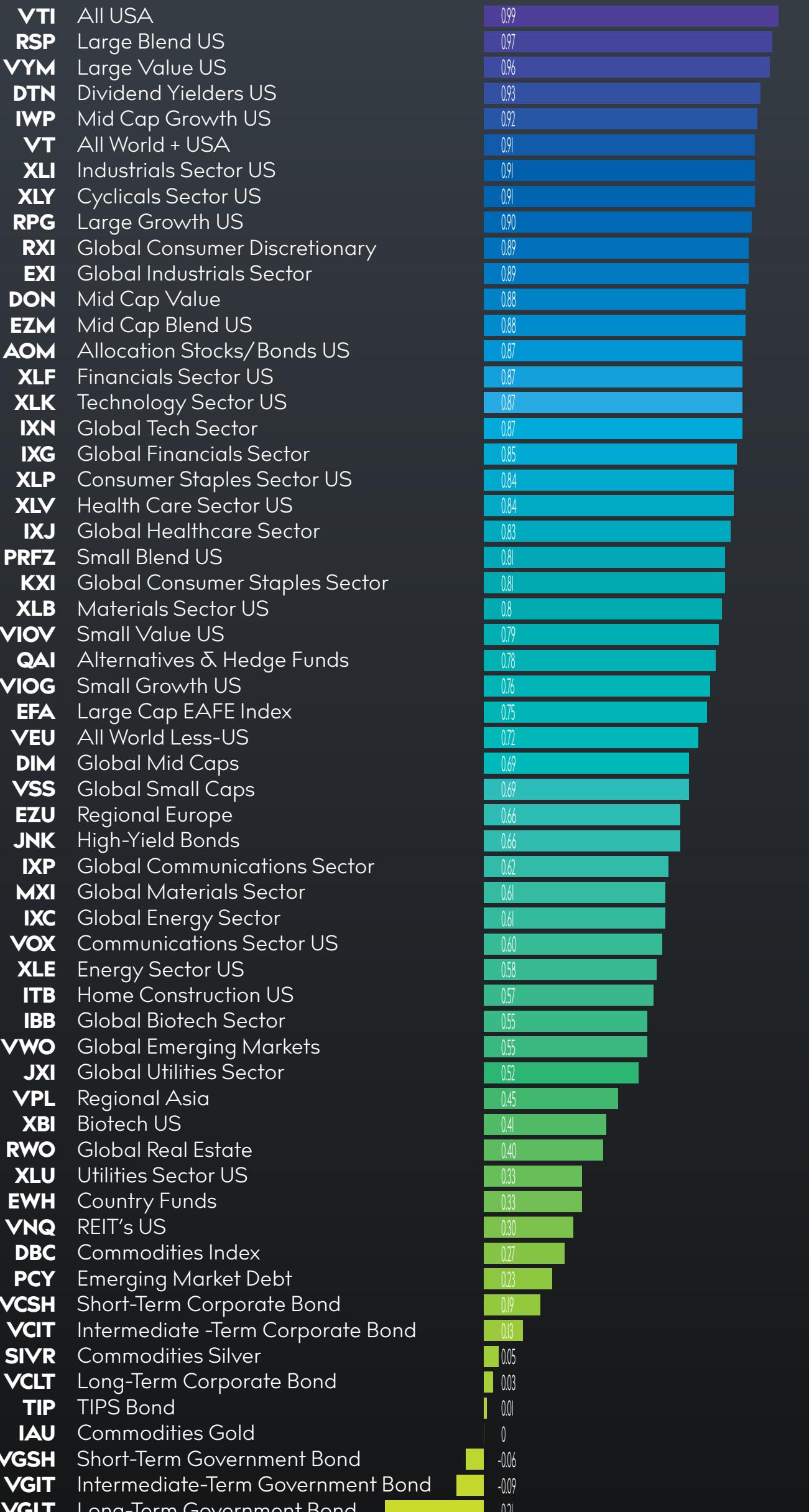
FACT

There is **no such thing as optimal asset allocation** because one size definitely does not fit all investors.

Your asset allocation profile must reflect your **personality**, your individual **needs**, and your specific **risk tolerance**.



ETF ASSET CLASS



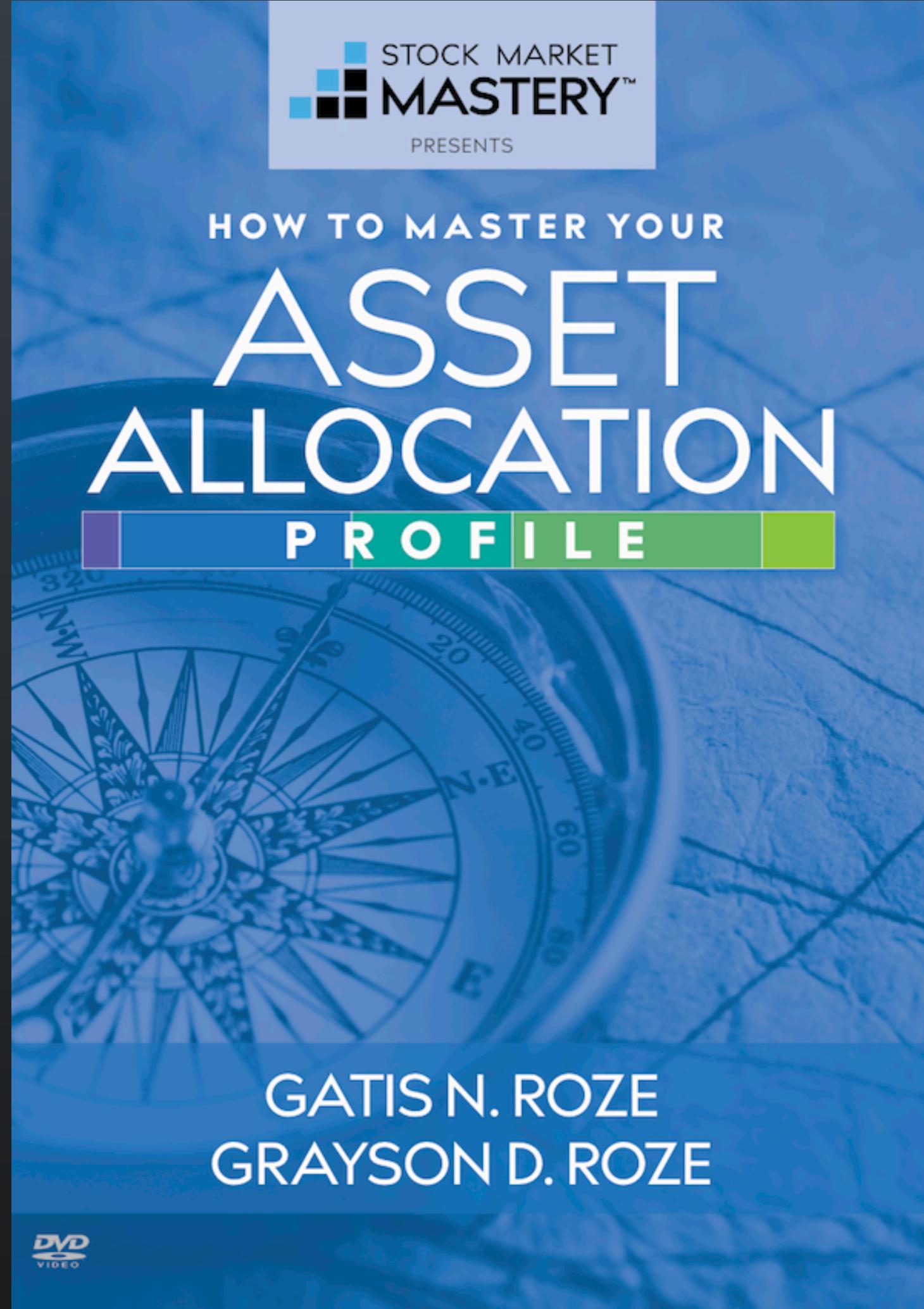
CORE 19 ASSET CLASSES

US LARGE GROWTH
US TOTAL MARKET
US LARGE VALUE
US MID CAPS
US SMALL CAPS
US ALLOCATIONS STOCK / BONDS
US UTILITIES
DIVIDEND YIELDERS
INTERMEDIATE BONDS
WORLD (plus US)
INTERNATIONAL (w/o US)
INTERNATIONAL SMALL CAPS
EMERGING MARKETS
ASIA
HEALTH
BIOTECH
TELECOMMUNICATIONS
PRECIOUS METALS
UNIQUE

EXPLORE

**US LARGE GROWTH
10 STOCKS**

Amazon (AMZN)
Netflix (NFLX)
Google (GOOGL)
Visa (V)
Mastercard (MA)
Apple (AAPL)
Facebook (FB)
Nvidia (NVDA)
Adobe (ADBE)
Etsy (ETSY)



How to Master Your Asset Allocation Profile

Complete, 6-hour DVD seminar

Available Online at **Store.StockCharts.com**

CORE PORTFOLIO

The asset protection investments

- The foundation of an investor's portfolio
- 80 - 100% of your portfolio
- Objective is **asset protection**
- Market indexed core holdings
- Satellite Core – lower correlation assets
- Prerequisite before pursuing the EXPLORE portfolio



EXPLORE PORTFOLIO

The **ego** investments

- 0-20% of your portfolio
- Objective is **growth**
- Maximum equity positions 1-10
- Constant vigilance is the price of profits
- Pick asset class you most relate to
- Personally, I picked large cap growth stocks.



EXPLORE PORTFOLIO

sample investments

Amazon (AMZN)

Netflix (NFLX)

Google (GOOGL)

Visa (V)

Mastercard (MA)

Apple (AAPL)

Facebook (FB)

Nvidia (NVDA)

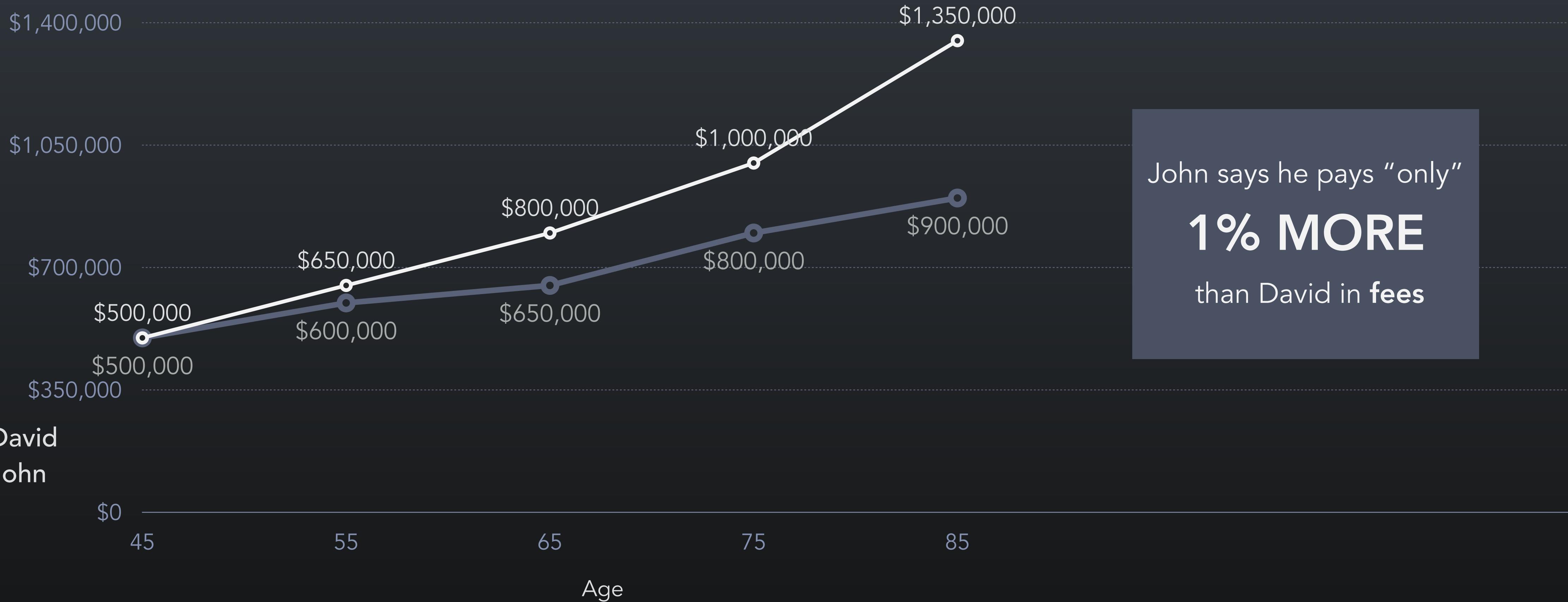
Adobe (ADBE)

Etsy (ETSY)



FEES MATTER

The story of two twins, John and David



A Venn diagram consisting of two overlapping circles. The left circle is blue and labeled "Fundamental Analysis". The right circle is purple and labeled "Technical Analysis". The overlapping area in the center is light blue and contains the word "YOU!" in white capital letters. The entire diagram is set against a black background.

Fundamental
Analysis

Technical
Analysis

YOU!



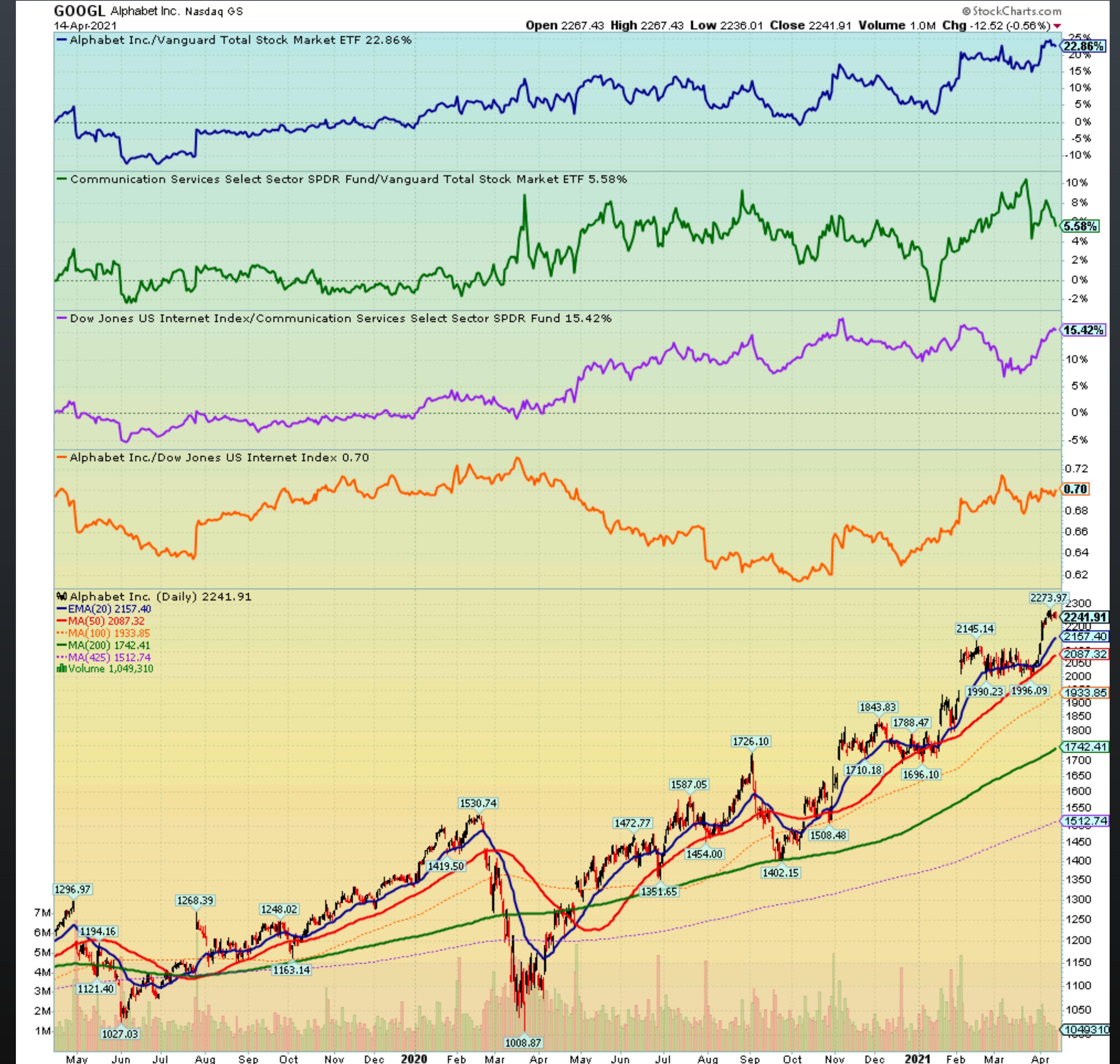
Lesson:

Ask What, Not Why

- Investing requires decisive action
- No one pays you extra to answer the “why”
- The market rewards the investors who know WHAT and pull the trigger, not those who ask WHY and wait on the sidelines until they find an answer



Relative Strength Charted



The 3 Peaks Approach

A disciplined **watch and react** selling strategy

If a stock prints 3 lower highs (lower peaks)
on consecutive rallies, it is time to sell.



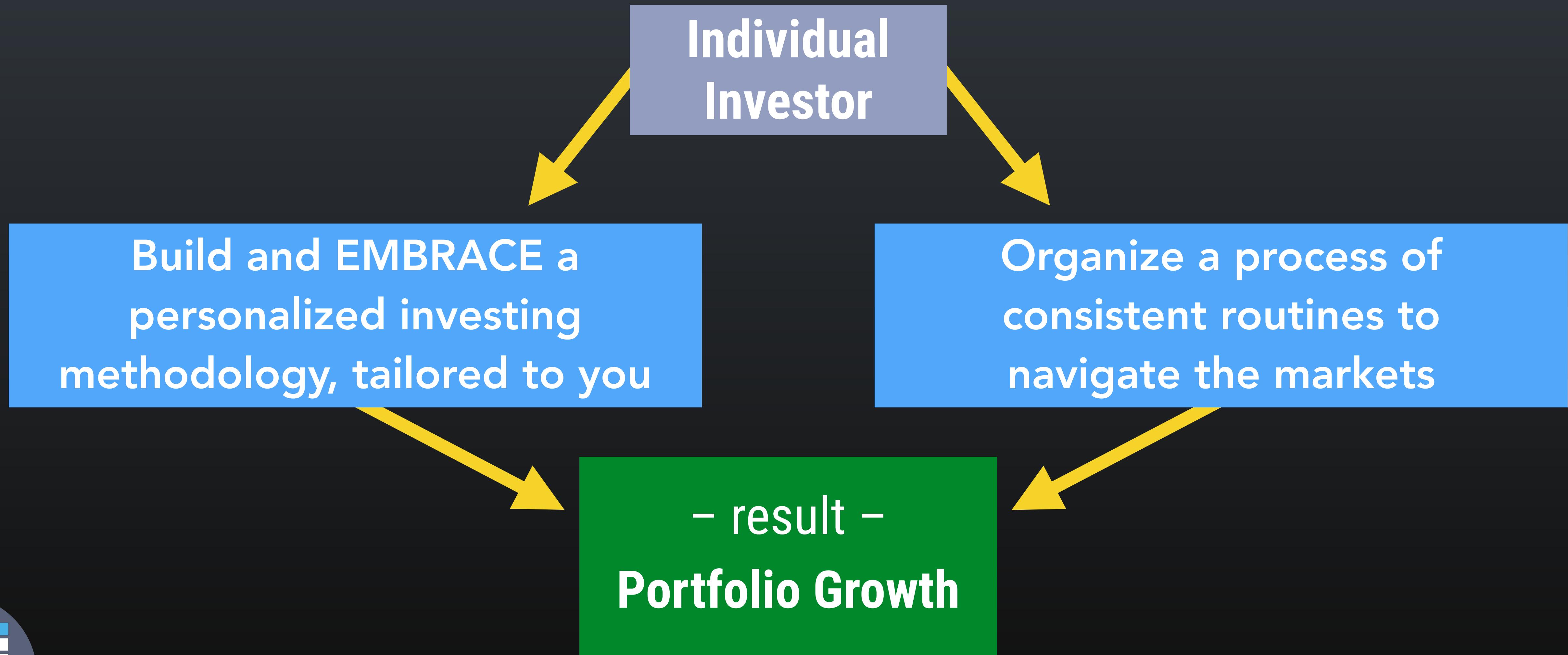
18-Apr-2018

O: 12.95 H: 12.99 L: 12.71 V: 46.055m -0.12 (-0.94%)

GE (Daily) 12.75



After Teaching and Observing More Than 5,000 Investors Over 20 Years...



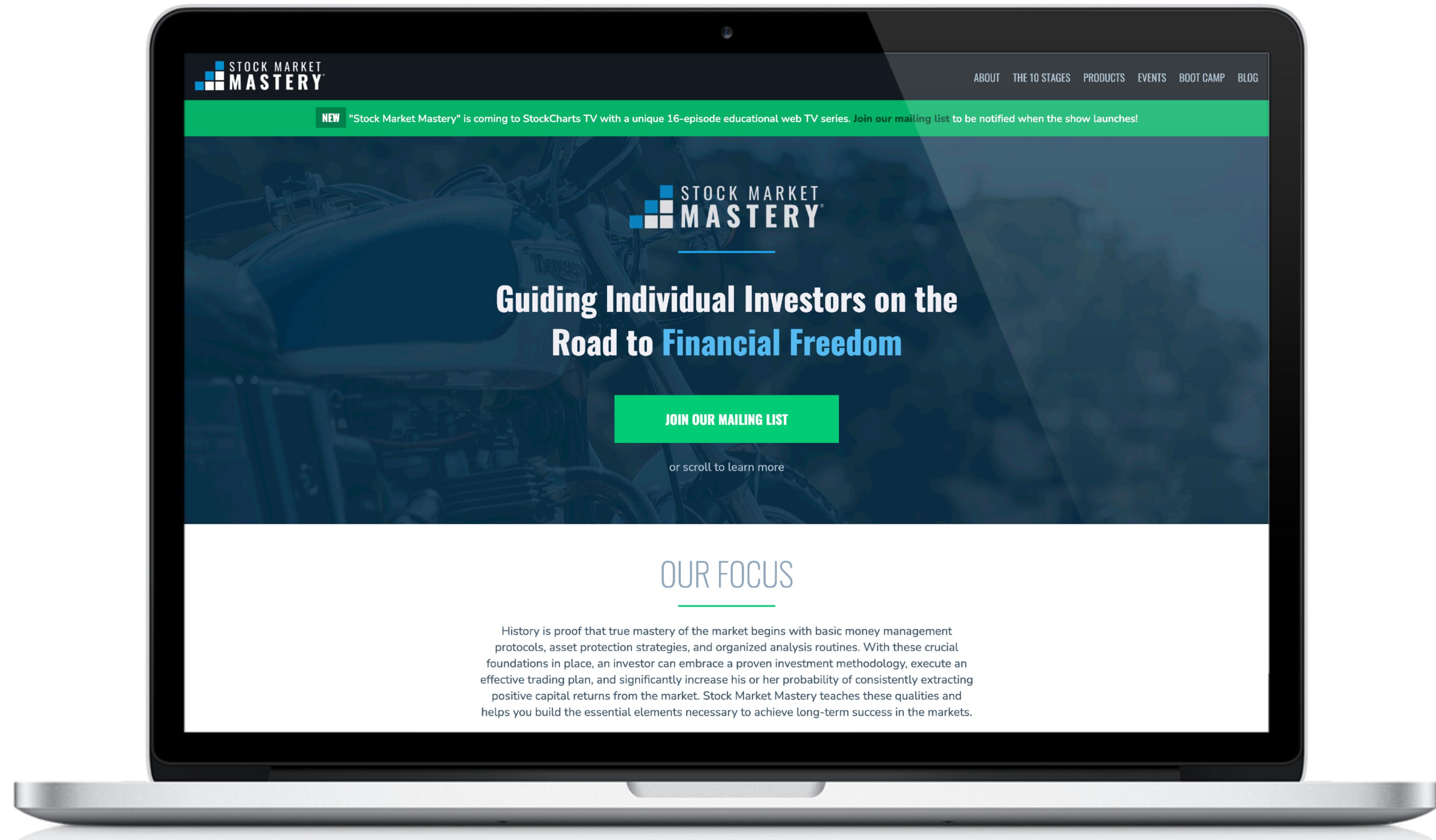
W I S D O M



**"It is not the strongest of the species
that survives, nor the most intelligent
that survives. It is the one that is most
adaptable to change."**

- Charles Darwin

Let's Stay In Touch!



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