



WeekendInvesting

POWER of MOMENTUM

Operating Procedure and FAQ

The operating procedure remains the same regardless of the product (Mi25/Mi30/Mi40/Mi50). Only the number of stocks and the percentage of cash to be deployed for a new position is different within the products. The same is elaborated in corresponding sections below.

Initial Steps:

On receiving the on-boarding email, please note your subscription dates for future reference. Please drag the mail from Promotions or Spam to your Gmail Inbox (in case lands there). Go to the google mastersheet using the link provided in the on-boarding email. You will find 3 tabs:

1. PortfolioMaster tab: This is the heart of the sheet. It contains the real time running portfolio. The quotes are updated live from Google Finance. It shows the current stocks in the portfolio, date of their addition, price of purchase or price at end of financial year whichever is later, the current portfolio allocation percentages (Col N) , current cash position (LiquidBees/ Col N) , the gain/loss so far this year (Q5), all exits so far this year (at the bottom) and a utility on the right to add/remove capital to this running portfolio. Please watch this video

<https://youtu.be/iT5O4RlvYiM>

2. Monitor tab:

This tab is simple a place to monitor your portfolios performance for the given day. It will show in sorted order the gain loss in each of the portfolio

constituents for the day and on the right will show the advance decline statistics and number of outsized gainers or losers. This tab needs no action from you.

3. Previous year portfolio tab: This will contain the transactions done in the portfolio in the previous year or since that portfolio was started. This is only for record purposes in case you wish to reconcile your trades with the master. New users can ignore this tab.

Next Steps:

Maintain a Google sheet for yourself like the one shared with you. To copy this sheet go to File >Make a copy> save in your name and bookmark it for easy access later

Use the Capital addition utility on the Portfolio Master page to calculate the number of each portfolio shares to be bought and the cash to be held. Please watch the video for more details on how to do this and maintain your sheet. <https://youtu.be/-2xoLZvSrCg>

Once you have created your portfolio (purchased the stocks at your broker terminal) populate and update your-named sheet with your date price and quantities and ensure that your sheet resembles the Portfolio master in terms of percentage allocations.

You can also zoom in and refer to the schematic below to understand the flow of the steps

Step 1: Enter your proposed Capital here. Eg. 5L/10L

Step 2: Buy these stocks at suggested amounts

Step 3: Update your buy date, Avg Buy price, Quantity, etc as and when you buy the recommended stocks.

Step 4: Proposed capital - sum(Δ) = Excess Cash \rightarrow Liquid bees

Step 5: Delete these from your copy of master portfolio & Update your exits as and when recommended.

Step 6: Update your initial investment amount & Start date

You have now completed the initial portfolio set up. Congratulations.

Routine Steps:

On your designated decision day of your Strategy, you will receive an email from our server sharp at 3.15 PM which is the weekly portfolio email. This email will contain the Exits and Additions to the portfolio if any needs to be done on that day. Ideally execute the same within the next few mins in the market else the next morning.

Please make sure email lands in your inbox and not promotions/spam by adding the sender to the contacts list or dragging the email from spam/promotions to Inbox to make Gmail learn.

Sell all the holding qty of exits if any and add new stocks at specified % of your overall existing portfolio value (all stocks and cash put together. The same is also being highlighted on the dark pink box in the sheet). The cash allocation is 4% for Mi25, 3% for Mi30, 2.5% for Mi40, 2% for Mi50 and 5% for Mi20. So if your original corpus of say 10 lacs in Mi30 has grown to 15 lacs, then new additions will be done at 3% of 15 lacs, i.e. INR 45000.

All entries and exits should be made gradually and not market orders. Try to purchase or sell within few pct of the price at 3.15PM. The model will take the closing price (weighted average of the last hour of the market) as its purchase or sale price.

If cash is excess after all buys, then buy LiquidBees for the rest of cash till the next allocation. LiquidBees is a exchange traded fund that trades on NSE under the symbol LIQUIDBEES and is always traded at a value of 1000. Daily dividends in form of units are credited to your demat account by Reliance Asset Mgmt Co that runs this ETF.

If you may want to add/ reduce capital or take off profits mid-year you can always reduce your exposure by proportionately selling all shares in the proportion of money you want to withdraw. Please use the Capital add/reduce utility in the R/S/T columns for the same.

General FAQ:

Does fundamental analysis have any role in stock selection in Weekendinvesting products?

No, stock selection is purely based on price volatility and volume factors. Emotions, fundamentals, predictions etc have no role to play.

Can I use this service if I don't want to run a portfolio?

Yes, you can use the new signals as identifiers of momentum in the market and you may use that knowledge to run your own strategies. Some folks are also using this service as a BTST(Buy today sell tomorrow indicator). According to me if you are an investor, then just stick to the portfolio but if you are a trader, there are other possibilities of using the signals.

What happens if a recommended stock has hit Upper or Lower Circuit and I am unable to enter or exit?

You will need to keep a close track and enter/exit as and when it will be earliest possible. We are not here in the short-term timing game so a few percent here or there will not make your stock portfolio deviate much from the model.

What is the worst loss I may suffer?

Though it cannot be guaranteed but based on the back-tests performed over decades of data you should not suffer a drop of more than 30-40% of your portfolio even if markets repeat a sharp dip like 2008 again in the future. Investment gurus like WarrenBuffet and Charlie Munger claim that all investors should be ready to get hit by a 50% drawdown a few times in their lives. We have built-in adequate capital protection measures into the strategies and that should protect you and reduce that loss.

How will following this service help me in investing?

Many a times, you have the skill and confidence of winning you but you just need somebody to nudge you to stay the course. You may evolve to your own strategies after experiencing this structured way of investing.

How is this system going to protect me in turbulent times?

Since we are trend followers, we don't wait endlessly to exit from our positions. Historically, fundamental investors who are working without an exit plan are caught with lemons in their hands. There have been plenty of such stories in the Indian and Global markets. My own staunch belief is

that "Exit plan" is the most important component of any investing system and we have a robust exit plan at all times to protect our capital from any major damage.

What support is available to me?

Support is always available at alok@weekendinvesting.com or you can tweet @WeekendInvstng for all your queries. Our endeavor is to have your query resolved within few business hours.

Can there be periods of long draw-downs ?

Yes, this is not a "get rich quick" strategy, if ever there is one. You can be stuck in a long consolidation period like 2010-2013 or we may hit a major crack like 2008 as soon as tomorrow.

What is the ideal time for recovery if there is a deep draw-down ?

Rolling 3 years returns of the past suggest that it can take up-to 3 years to come out of any deep hole that we go into.

Should I deploy my entire capital to this strategy at one go?

If you are not comfortable at the current market level, then one should keep half of the allocatable money aside and wait for a significant drawdown (15-20%) to add to existing position. Comfort in what you are doing is very important for you to keep the faith in any system.

Should I start investing now or wait for the drawdown?

There is no clear answer for this. Maybe if not sure, 50% amount can be started now or entire amount may be used if your assessment is such. Our whole premise is that we cannot forecast or time the market.

Can i share this login with others?

No, please do not share or disclose the details provided herein. Account will be immediately suspended if any shared access is detected or public release of the portfolio data.

Does the model portfolio consider transactional costs?

Yes, entry and exit costs are built into the system. STT and other taxes are all taken care of.

Which brokerage should I use?

We recommend using a discount broker for this strategy. Zerodha.com and Upstox.com may be explored for this purpose. There is NIL brokerage charge on delivery based activity at both these platforms and they have won several awards in recent times for customer service and innovation.

Can my results be very different from the model?

Ideally that should not be the case but minor differences due to execution or slippages may result. There are clients who are able to do marginally better than the model portfolio too.

Can i make any changes in the PortfolioMaster sheet?

No, please do not attempt to disturb this sheet in any way. You have viewing rights only. You can edit and change your own named sheet in any way you like.

The model assumes which price 3.15 or 3.30 PM ?

Model will take the closing price which is the weighted average of last half hour. So purchase and sale can be done gradually over the last 15 mins to come close to the weighted average.

Will stock that may have already hit the Circuit be recommended?

No, at the time of recommendation if a stock is on circuit, it will not be recommended

How to deal with a loss year?

Loss making years and some deep ones are par for the course in the investing arena. Take them in your stride. Do not panic. Add more capital on deep draw-downs. Capital is added in the same proportion as the portfolio that may exist then

Do I have to buy or sell at 3.15 PM on the designated day or can it do it later?

It is recommended that you buy/sell at the specified time though the next morning transaction has so far not hurt the performance significantly.

When should i add capital if at all?

You may chose to add capital on portfolio draw-downs of 10-20%.

To the new user:

In the close, I want to say this is a medium term wealth creation system. If you will follow it religiously, there is no doubt that you will create value over time. There may be several testing periods that you may have to go through but success will surely come. That is my promise.

All the best. If there is a question query or concern at any time, just send me an email at alok@weekendinvsting.com