QUICK START GUIDE

It's time to get started! In just a few minutes you'll be on your way to living life on *your* terms!

There are three ways to implement my strategy: Aggressive, Conservative, and Moderate. I use Option #3, Moderate. Choose the one that is right for you.

Option #1, Aggressive – Go all in. Just buy the stocks that are listed in the newsletter on Monday! It's entirely random whether the Monday you get started will help or hinder your returns. No one knows. But this is the easiest way to get on the program, and by far requires the least decision-making. After that, you have one job; stick with the strategy!

Option #2, Conservative – Use the *Risk-O-Meter* and wait until there's a **new** buy signal **after** the next sell signal.

Bottoms are easier to spot than tops because once investors have sold, there's nothing left to sell.

Tops in the market are much harder to see. People can buy, and buy, and buy some more. The *Risk-O-Meter* went on a buy in July 2020 and remained that way at least through April 2021 as I wrote this. This Bull Market will continue until it stops. **The *Risk-O-Meter* does not predict. It reacts.**

It could go red next week. Who knows? Some investors are more comfortable buying after a pullback. That's fine. It's up to you. In this case, waiting around would have cost returns of 30% to 50% or more.

The next time the *Risk-O-Meter* goes on a buy after the next sell, the world might look like there's a bunch of reasons not to buy stocks.

That will be precisely the time to buy. After that, you have one job; stick with the strategy!

Option #3, Moderate – The middle ground. If the *Risk-O-Meter* is currently on a buy signal, then dollar-cost average over four to six weeks, adding consistent dollar amounts to your portfolio each Monday, until fully invested. You won't invest everything at the top, and you won't catch the bottom. You will earn an average over the weeks that it takes to build a full position.

After that, you have one job; stick with the strategy! This is the approach I choose in my investing. I never jump in with both feet first. I work into the positions. The exception would be new buy signals after the *Risk-O-Meter* comes off a sell signal, at which point I would get fully invested.

You might have noticed that I repeated one line, “After that, you have one job; stick with the strategy!” There’s a reason. The strategy is designed to be just that. It’s a strategy. It’s not a collection of individual stock picks. Of course, you can cherry-pick the stocks in the system if you want. That is your choice. But I don’t recommend it.

It’s a 10-stock portfolio because the performance is better than a 20-stock portfolio without much change in risk. 10 stocks are much easier to manage. I am all about the path of least resistance.

Of the 10 stocks, some will undoubtedly look more compelling than others. That doesn't mean anything, though. I certainly cannot differentiate which among the 10 stocks will outperform the others.

The best way to follow this strategy is to risk an amount of capital that will not prevent you from remaining invested when there are bumps in the road. There will be losses. There will be times when the system underperforms the broad markets. Often the financial markets feel as if they are designed to test your mental strength. When you jump ship, the ship usually rights itself, and the performance of the strategy starts to move in the right direction.

You must pick an investment approach that suits your own ability to stick with the system. Then you must stick with it through thick, thin, and hell or high water.

Do that, and you'll be way ahead of 99% of the other investors out there.

USER GUIDE

Hello and welcome to *Unbounded Wealth: Max Profits*!

This is a (somewhat) short user guide providing (somewhat) brief explanations about the strategies used in *Unbounded Wealth*.

Keep it handy so that you can refer to the strategies when needed.

Each week before noon on Monday I will send you an update with two simple sections.

1. The *Risk-O-Meter*, showing the level of risk in the current market, and
2. The *Micro-Cap Millions* strategy, which will highlight stocks to sell and buy on Monday, or the first trading day of the week if Monday is a holiday, as well as positions to hold.

Once a month I will send you the newsletter, which includes the Forensic Accounting Stock Tracker (FAST), which ranks the top and bottom 50 stocks from our list of the 1500 most liquid US stocks. I will typically talk about the markets a bit in the introduction to the letter.

Let's break it down!

First, each week I provide an update on the *Risk-O-Meter*, which takes all of the guessing out of assessing the risk of the stock market at the current time. If you can read the fuel gauge on your car, you can interpret the *Risk-O-Meter*. It's my gift to you for just trying out *Unbounded Wealth: Max Profits*. Even if you cancel your subscription to *Unbounded Wealth: Max Profits*, I will still send you the *Risk-O-Meter* each week for a year.

The next section will be the Micro-Cap Millions Strategy, the 10-stock portfolio in *Unbounded Wealth: Max Profits.*

You might be tempted to pick and choose from the stocks I present, or perhaps to hold stocks my system recommends that you sell. That is your choice, of course, but my systematic approach, and my returns, are based on implementing the strategy as presented. I recommend following the strategy as a whole, which will free you from trying to analyze or second guess what to do.

Once a month, I provide commentary about the markets, saving, investing, life, or whatever is on my mind. I may include an exciting chart or something from pop culture relevant to **our journey** on the way to breaking free of "The Man" and living life on our own terms.

Last but not least, once a month I will identify the top 50 stocks and the bottom 50 stocks from my Forensic Accounting Stock Tracker (FAST) software. Remember the FAST software updates monthly, while *Micro-Cap Millions* and the *Risk-O-Meter* update weekly.

FAST represents my life's work. FAST's principles are used in the other sections of *Unbounded Wealth: Max Profits.* The top ranked stocks represent fertile ground for new investment opportunities that historically have crushed the market.

If you're very experienced, the bottom-ranked stocks present good candidates to short (bet against) when market conditions are right.

Do not be fooled by FAST's simplicity. While it only requires the ability to understand a report grade from A-F and is color-coded with a heat map to see the best and worst ranked stocks, *a lot* goes into it. The system is the culmination of 20 years of my working with some big names in the financial industry, developing my own methods, selling these methods to clients for upwards of $300,000 a year, and hundreds of thousands of dollars in research.

Okay, that's a brief overview. Thanks again for signing up for *Unbounded Wealth: Max Profits*, now let's jump into the sections in a little more detail!

Best,

Each week, I dive right into the most critical aspect of investing.

Risk.

You must choose investments that allow you to comfortably stomach the twists and turns that the markets, and life, will throw at you. The most crucial factor in breaking free of "The Man" and living life on your own terms is sticking with your approach!

If you jump ship after every little market wave crashes above the bow, you will get what nearly everyone else gets.

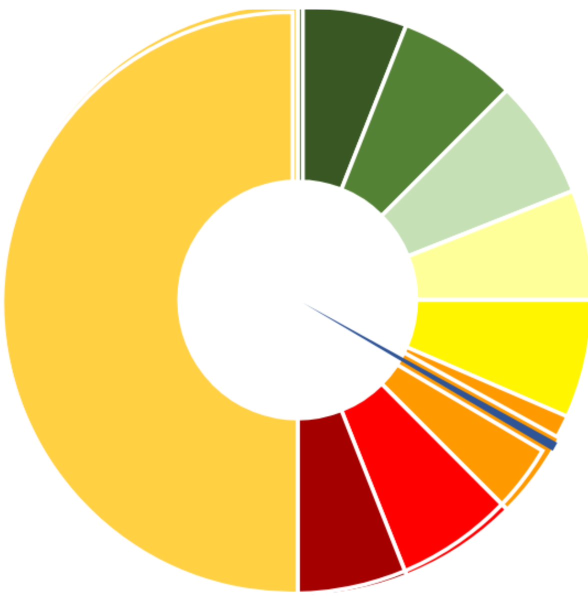
Mediocrity.

I came up with my own way to measure risk in the market. It's based on human nature and my observations over the last 30 years as well as the sentiment of the stock market, volatility and momentum.

My feelings don't matter. It's purely objective.

I call it the *Risk-O-Meter*.

If you can interpret your gas gauge on your car, you can read the *Risk-O-Meter*. When the indicator is to the far left and deep in the green zone, it's time to put down whatever you're doing and aggressively buy stocks or other risk assets. When it's in the red zone, it's best to take a nap, read a book, or go golfing. While the market may go up from there, the risks are high and future losses tend to wipe out the gains until risks get low again.



Here's a "real world" example of how this works. When COVID hit, the *Risk-O-Meter* told me to get out of the market just before it tanked. After the market had collapsed my phone was blowing up. Voicemails and texts piled up from friends and family wondering if they should "sell everything."

I couldn't answer the calls as I was too busy buying stocks hand over fist. The *Risk-O-Meter* had gone green again.

When I did get a chance to return calls, I informed people nicely that they would be crazy to sell at that point. It was time to buy.

The same thing happened around Christmas, 2018. It was a bit of a red Christmas, with all of the stocks taking huge losses toward the end of the year.

That was the time to buy.

In developing and testing my investment processes, I discovered that the majority of the market's gains were made when the *Risk-O-Meter* was at low levels, giving the green light to jump into the market. When the *Risk-O-Meter* was flashing the red light, indicating investors should move to cash and wait, it saved a bundle of money and a great deal of pain.

I back tested my approach, starting in 2000. Since that time, the stock market gained 374.30%, but when the *Risk-O-Meter* was applied it generated returns of up to 708.96%, an improvement on returns of 89%. What's more, when stocks took a beating of 55.19%, the *Risk-O-Meter* got hit by less than half that!

There's *a lot* that goes into the *Risk-O-Meter*. To name a few, the sentiment of the stock market, volatility, the degree to which all stocks are pushing the market higher or lower, and the action in the credit markets.

Okay…enough about risk.

Let's talk reward! Let's look at *Micro-Cap Millions* in more detail.

Micro-Cap Millions follows stocks in positive trends. As the saying goes, "the trend is your friend." We want to take advantage of trends. A stock or market can go much higher than you might be able to explain for any fundamental reason simply because of a powerful trend. Ride that trend and catch the meat in the middle, and you can score some massive winners.

In fact, a couple of winners can more than offset a whole lot of losers.

That's why I don't focus on winning percentage. Investors that like to "win" a lot actually under-perform by a considerable margin.

A 90%-win rate means nothing if you make 1% for each winner and lose 100% on the one loser.

See the math there?

What matters is how much dough is in our account and whether that pot of dough is getting bigger or smaller.

As much as I might think I'm an intelligent fella, the truth is that I have no idea which stocks are going to be the big winners. Neither do you.

If I knew, I would never invest in a loser again.

Fortunately, I can take advantage of some things that happen repeatedly in the markets and use them to my advantage. One of them is riding trends.

I use a version of my Forensic Accounting Stock Tracker (FAST) to focus on micro-cap stocks, which supply investment ideas for *Micro-Cap Millions* focuses. The beauty is that some great companies are lying around that investors large and small never see. Large investment firms often have investment guidelines that prohibit them from buying stocks in such small companies, and individual investors typically lack the tools to identify and analyze micro-cap stocks.

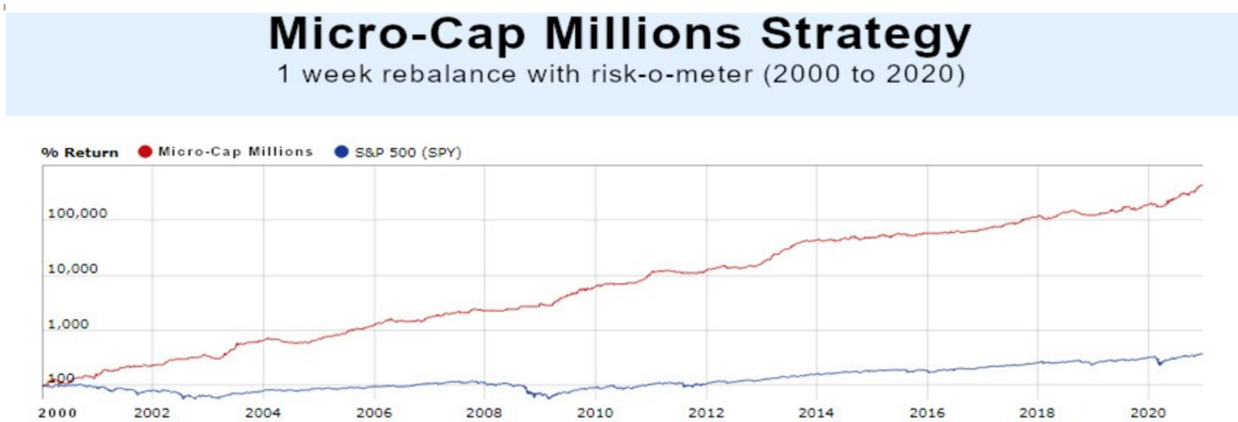
That creates opportunity.

I use the FAST model to improve the odds we aren't just picking a clunker. Then stocks are selected based on custom momentum factors to improve the odds that the stock continues to move in the right direction.

Once in a while, one or a few of these stocks really catch fire. Then that captures the attention of other newsletters. Maybe the media takes notice. Next thing you know, the stock is up a few hundred percent in the blink of an eye.

Even though my strategy has vastly outperformed the market in testing and real-time, it still will have drawdowns. The benchmark we use (equal weight S&P) had a 55.19% drawdown since 2000. However, by applying the *Risk-O-Meter* we cut the drawdown to 20.47%, less than half the benchmark. That said, patience and consistency are rewarded.

Here is *Micro-Cap Millions* combined with the *Risk-O-Meter*:



Total Return	431,231.26%
Benchmark Return	277.23%
Annualized Return	48.96%
Max Drawdown	-20.48%
Benchmark Max Drawdown	-55.19%
Overall Winners	(727/1299) 55.97%
Sharp Ratio	1.83
Correlation with S&P 500 (SPY)	0.45

It shows average annual returns of 48.96% with a maximum drawdown of 20.48%. An initial investment of $5,000 in 2000 could have grown to over $21,500,000. There were no unprofitable years in back testing, which included the ugly years of 2000 and 2008.

I have been running my system live since July 2019. Through February 2021, it earned an annualized return of 137%, with only a 16% drawdown, compared to the benchmark drawdown of 33%. That's a return of 137% for each full year.

Remember these stocks move big in both directions. When there are market scares and stocks dive quickly, it is painful. It will likely occur in the future. It's not fun. But that's one reason I am here. To be your guide.

Our portfolio holds a manageable 10 stocks. You will be notified weekly if there is any change to the portfolio. The model is based on the closing prices on Monday so you have plenty of time to execute any changes.

There are several important points that are critical to your success:

1. Take all of the trades. No one knows what stock will move the most.
2. Stick with the strategy. Week in. Week out. When the market rebounds, often laggard stocks will lead the way.
3. Don't put so much money into one strategy that you lose sleep, get angry, get mad at me, second guess yourself, get depressed, or anything else that can sabotage your success. A significant loss should mostly be a temporary blip in how it affects you. Don't be greedy.
4. If you want a bit more action, then plow more into the strategy, use the *Risk-O-Meter* and get more aggressive when it’s on a green light. Get out or get less aggressive when it’s on a red light. The *Risk-O-Meter* won't be correct 100% of the time, but I can assure you that when it first turns green, the world around you will look like a mess, and you'll be wondering if the world is coming to an end and whether to invest. The answers are no, the world isn't coming to an end, and yes, you should invest. Your friends and neighbors will be jumping out the window due to short-term stock losses. That’s when you move in, not when everyone is bragging about how rich they are.

Follow 100% of the trades, 100% of the time, and you'll be better off than other folks in the market.

So, there you have it. It will be fun to share this journey with you, and I look forward to helping you maximize your profits over the coming years!

Now onto the last section of *Unbounded Wealth: Max Profits*…The Forensic Accounting Stock Tracker…

Wall Street’s Dirty Little Secret

Wall Street is out to make money. They're not out to make money for you. In recent times, more and more companies have resorted to accounting gimmicks, often called "financial engineering," to goose their performance numbers and pull the wool over investors' eyes (that's you).

As more companies resort to accounting tricks, they're beating earnings at a higher rate.

Why would they do this? Usually, CEOs and other top executives have much of their income potential tied into stock price performance. Their reign at the top is often short, and Wall Street has a very unforgiving short-term timeframe within which CEOs must deliver strong performance. Otherwise, their stocks could tumble, dramatically reducing their compensation.

So, they resort to tricks to overcome short-term challenges and put "lipstick on a pig." This rarely works over the long-term because those earnings are not sustainable!

What are some of the common adjustments companies make?

There are plenty.

Look at the table below. There are many line items on an income statement that management can use to steal some earnings—the higher up on the income statement, the greater the concern.

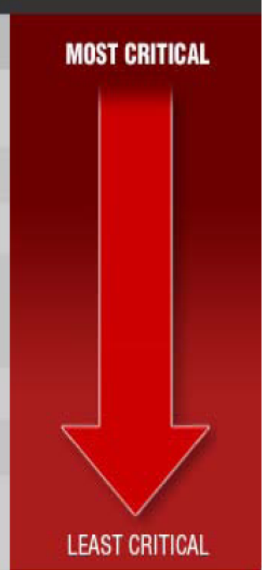
For example, if revenue Is fictitious, the entire business model is a scam.

The balance sheet and cash flow statements are also filled with areas that management can manipulate.

FAST looks at all of them.

Income Statement

METRIC	CONCERN
REVENUE	Aggressive Revenue Recognition
COST OF GOODS SOLD	Inventory Issues
GROSS PROFIT	Reserve Concerns
OPERATING EXPENSES Research & Development Sales, General & Administrative	Large Changes
OPERATING INCOME	Large Changes
TAXES	Tax Issues
NET INCOME	



But these adjustments can be much worse, and FAST™ can help expose the biggest offenders while also rewarding management teams coloring within the lines and acting in the best interests of shareholders.

FAST™ - A Different Way to Invest

Many investors rely on standard metrics like Price / Earnings ratios. They assume that companies' financials are a fact and are to be accepted as gospel. On the other hand, I believe every company is guilty until proven innocent. This is not a court of law. It's *your* money.

I developed my own well-tested methodology behind the Forensic Accounting Stock Tracker (FAST™) model. I pick apart all of a company's financial statements from top to bottom and determine an earnings quality (EQ) score.

The EQ scores are derived from the quality and sustainability of cash flows, the propensity for management to have overstated revenue or understated expenses, as well as a host of "shenanigans" management may utilize to stretch reported profits on a sustainable basis. I refer to these shenanigans and accounting tricks as "red flags." These red flags are categorized by where they reside on the income statement and the degree to which they are likely to impact reported results.

The EQ score results are tabulated relative to a company's own history and every other stock in the universe. The stocks are scored A, B, C, D, and F for each factor, much like you would receive on a report card in high school.

FAST™ focuses on four categories – Multi-factors -- of investment merit:

Earnings Quality -- All those line items on the income statement are like levers management can pull to generate whatever earnings they want. Pull the lever, and just like a slot machine, they can hit the jackpot. **My metrics are designed to spot these tricks of the trade.** I also look at ways management is using the balance sheet to prop up reported earnings. As a result, FAST calculates the authentic and sustainable earnings for a company. Not just what it reports. These custom calculations provide an inside edge on how the company is *really* performing.

Sentiment -- Many people look at the trend in earnings estimates. Wall Street has a herd mentality, and so analysts tend to raise or lower estimates in tandem. I *anticipate* those estimate changes by exploiting Wall Street analysts' psychology and combining it with earnings quality and investor reaction to earnings reports.

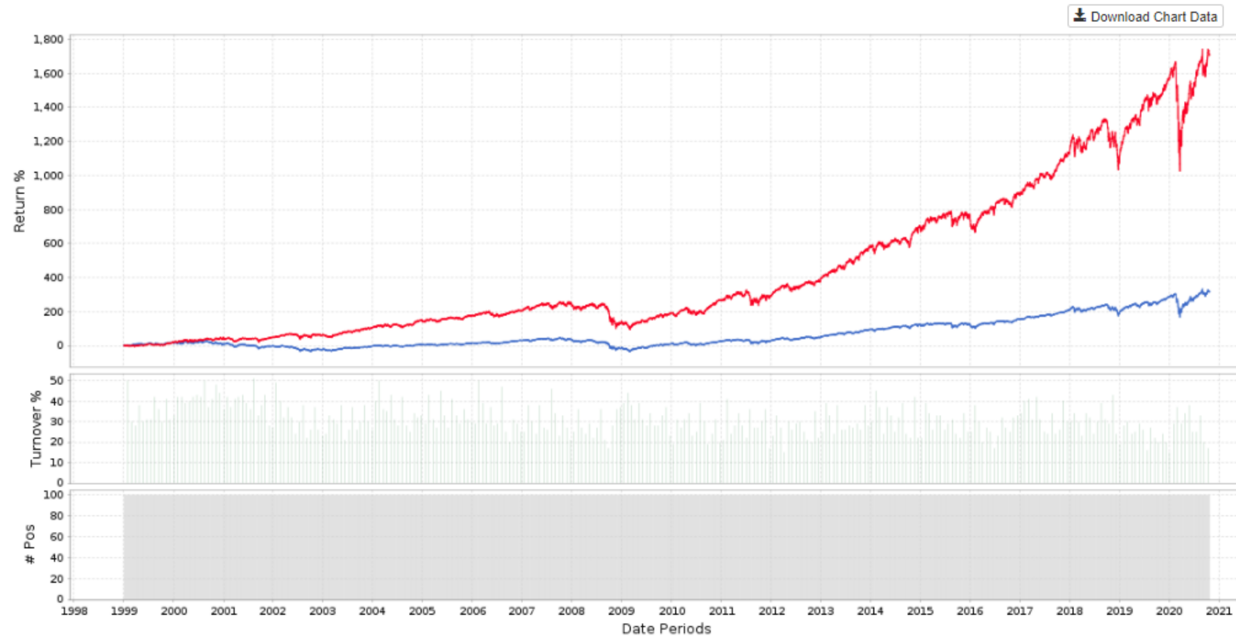
Momentum – The trend is your friend until the end when it bends. What goes up will likely continue to go up. What goes down will likely continue to fall. Until it doesn't. However, I do not just look at nice performance like the typical research firm. I developed my own measure of price trend, the stability of that trend, and the trend's potential to continue in the current direction.

Shareholder Yield -- Focus on companies that pay you first, and you'll be handsomely rewarded over time. History shows that companies that initiate and grow dividends outperform all other types of stocks based on dividend policy. But, not all dividends and buybacks are the same. The financials' quality is a critical determinant in whether shareholder yield is investor-friendly or just smoke and mirrors.

In testing since 2000, the highest quality companies have generated a total return of 1,709.60% compared with a market return of 317.77%.

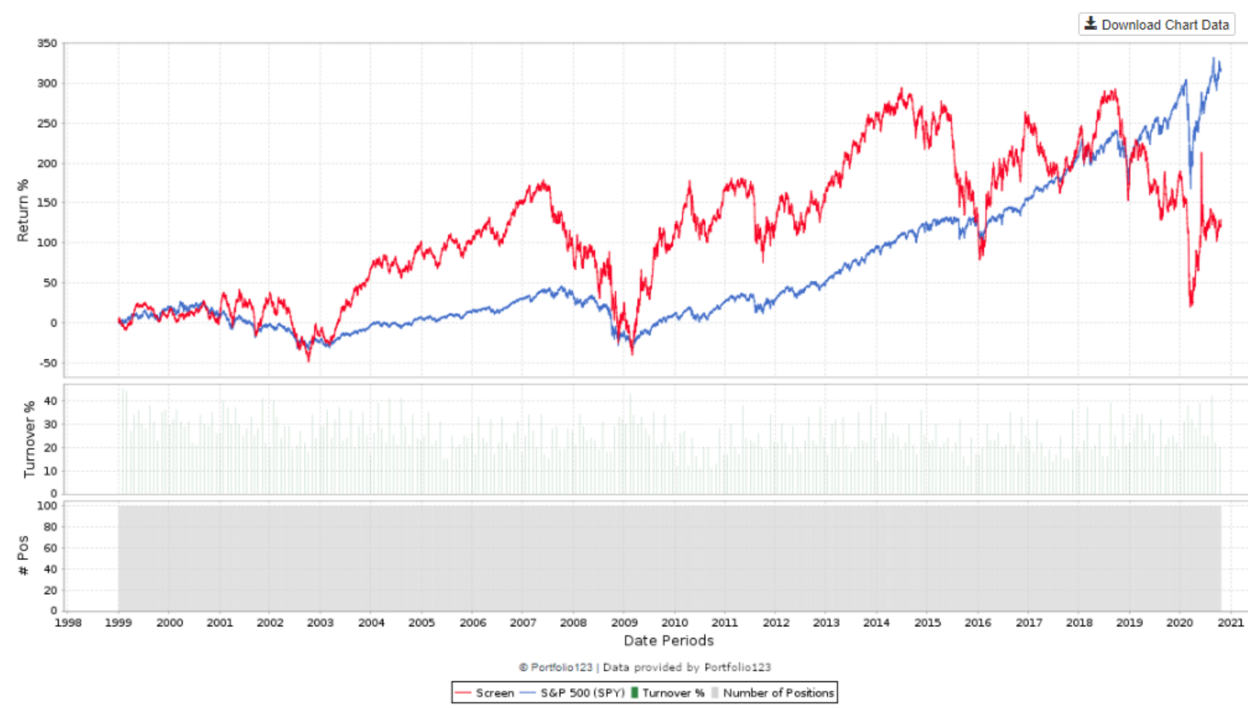
Here are the returns of the top-ranked stocks in red:

	Total	Annualized	Max	Risk Statistics (MONTHLY Period)						
	Return	Return	Drawdown	Sharpe	Sortino	StdDev	CorrelBench	R-Squared	Beta	Alpha
Screen	1,709.60%	14.20%	-45.40%	0.88	1.15	14.23%	0.88	0.78	0.84	7.97%
S&P 500 (SPY)	317.77%	6.78%	-55.19%	0.38	0.50	14.92%	-	-	-	-



And now the bottom in red:

	Return	Return	Drawdown	Sharpe	Sortino	StdDev	CorrelBench	R-Squared	Beta	Alpha
Screen	128.68%	3.87%	-78.67%	0.22	0.32	34.29%	0.80	0.64	1.83	-2.83%
S&P 500 (SPY)	317.77%	6.78%	-55.19%	0.38	0.50	14.92%	-	-	-	-



Since 2009, a rising tide has lifted most boats. However, the lowest-ranked stocks are starting to underperform the broader market and they lag the top-ranked stocks by a substantial margin.

While there's a lot of data that goes into FAST, it very easy to use. Here's a snapshot of the output:

Rank	Rank Change	Ticker	Stock Name	Overall Rank	Buybacks	Earnings Quality	Momentum	Sentimant
Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
1	0	MSCI	MSCI Inc	A+	B	A+	A+	A
2	1	MTD	Mettler-Toledo International Inc	A+	B+	A+	A	A-
3	2	INFO	IHS Markit Ltd	A+	B+	A	A	A+
4	3	TXN	Texas Instruments Inc	A+	B	A	A	A
5	12	DG	Dollar General Corporation	A+	A	B	A+	A
6	0	SPGI	S&P Global Inc	A+	B	A	A	A+
7	60	ZBRA	Zebra Technologies Corp.	A+	B-	A	A	A+
8	0	ADBE	Adobe Inc	A+	B-	A	A	A+
9	-7	KSU	Kansas City Southern	A+	A	A+	A-	B
10	2	LECO	Lincoln Electric Holdings Inc	A+	B+	A+	B+	A
11	9	ODFL	Old Dominion Freight Line Inc	A+	B	A-	A+	A-
12	32	MSFT	Microsoft Corp	A+	B	A-	A+	A
13	33	TROW	T. Rowe Price Group Inc	A+	A	A	A-	B+
14	49	HON	Honeywell International Inc	A+	B	A	B+	A+
15	15	A	Agilent Technologies Inc	A+	B	A	A-	A
16	17	NSC	Norfolk Southern Corp	A+	B+	A-	B+	A
17	-3	MNST	Monster Beverage Corp	A+	B	A	B+	A
18	6	GNTX	Gentex Corp	A+	A-	A	B+	B+
19	-8	PG	Procter & Gamble Co (The)	A+	B	A	B+	A
20	-10	VRSK	Verisk Analytics Inc	A+	B-	A	A-	A
21	11	UNP	Union Pacific Corp	A+	B+	A	B-	A+
22	0	MSI	Motorola Solutions Inc	A+	B	A	B	A
23	4	WST	West Pharmaceutical Services Inc.	A+	C	A+	A+	A-
24	-11	CDNS	Cadence Design Systems Inc	A+	B-	A	A	A+
25	4	ETN	Eaton Corp Plc	A+	A-	B	A	A-

What FAST™ is Not

FAST™ is not a get-rich-quick scheme. A lot of thought, effort, and skill went into developing it. Then, I spent countless hours back testing the model to help ensure its validity. There are no get-rich-quick schemes. If you see someone offering outrageous returns designed to appeal to greed, please run (don't walk) the other way! To be sure, I can't even guarantee that you will make money using FAST™. However, I can assure you that the independent test results presented here are valid and that the model, if used judiciously, should help you achieve your investment goals.

How to Use FAST™

There are several ways to use FAST™ in your investing process. Among them:

- Individual stock selection -- FAST™ can help you analyze individual stocks and narrow your investment opportunities down to the highest earnings quality equities.
- Options Trades – FAST™ is built around identifying companies with the highest opportunities or risks to generate earnings results that exceed or fall short of investor expectations. Stocks tend to have more volatility around earnings releases. Using options on high/low ranked FAST stocks may improve returns or hedging opportunities by betting on stocks that may exceed or fall short of analysts' and investors' expectations.

- Building an Entire Portfolio – While FAST™ ranks stocks in order of earnings quality, there may ultimately be little difference between the #1 and #22 ranked stock, for example. Buying an entire basket of the top 25 or 50 stocks may provide a diversified portfolio with similar underlying characteristics, namely strong earnings quality, reasonable valuations, and expectations that could lead to upward revisions in the coming quarters.

There you have it! Stock selection models that the average investor can use to beat Wall Street at its own game, all in one place!

Again, welcome to Unbounded Wealth: Max Profits. I am excited about our journey together.