



Welcome!

Welcome to *Unbounded Wealth: Max Profits!*

I have been away from writing about the markets for 13 months. I am surprised by how much I missed it. I have continued to trade in that period, and it has been impossible to lose money on any long positions. I was extremely fortunate, or lucky, to call the bottom last year. That has led to triple-digit returns.

I do not doubt that more challenging times are ahead. It's not supposed to be this easy to invest in the markets. There will be a shake-up at some point. It will be scary. I am excited to start this journey with you today and look forward to navigating the markets successfully in the future.

This is my first time writing a newsletter as an independent operator. That means this is my space. I can, and will, do whatever I want. I may write about the markets or my favorite recipe. Who knows? In this space, I will talk about whatever I feel like talking about at the moment.

The systems that I reveal are my best work. I have a world-class research operation, and I am excited to share this work with you.

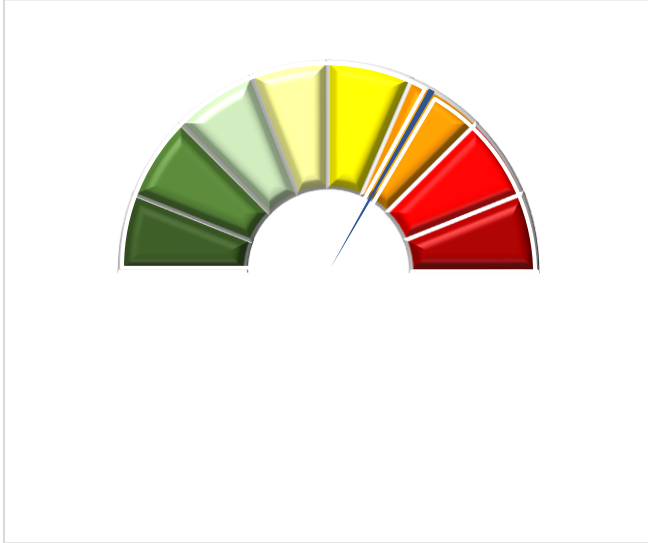
The first monthly version of this newsletter, including the Forensic Accounting Stock Tracker, will be on May 10th. I will have a more extended intro to the markets as well. Stay tuned for that.

Speaking of recipes, it's a beautiful day here on the shores of Lake Champlain, and I am headed out soon to forage fiddlehead ferns to fry up later as a side dish to ribeye steak for dinner.

So I am going to cut to the chase and get right to it!

Risk-O-Meter

The Risk-O-Meter has been on a buy since July 2020.



There have been a lot of reasons the market could have tanked since then. There was a hotly contested election. There is civil unrest. There's an unprecedented power grab by one side of the political spectrum. There's been a surge in COVID cases. Vaccine distribution globally has been relatively poor.

None of it has mattered to the markets. It's been straight up.

Right now, the risks are balanced. The market could just as easily climb another 10% as it could dip 10%. There's no statistical edge to making a big bet one way or the other right here.

Most of the underlying factors in the Risk-O-Meter are positive. One red flag is that stock market sentiment is way too bullish. We are in rarified air here. However, to trigger a sell signal, we need to see folks move into the bearish camp. They need to start selling. We aren't even close yet.

Trillions of dollars in liquidity are sloshing around, and it's going into stocks, real estate, and collectibles. It's truly an unprecedented time.

Money continues to flow into exchange-traded funds, which drives up the names we all know. In addition, buyback activity has been very positive. Companies continue to buy back \$40-\$50 billion in stock weekly. This supports higher stock prices for the time being.

Higher taxes may threaten the positive trend in the market. However, rich people don't pay taxes at the statutory rate. If you own your own business and you take a \$1 million salary, which would put you in the targeted bracket from the new tax plans, then you are

a moron. There's a myriad of ways to avoid taxes legally when you're that successful. Hence, the tax argument is all smoke and mirrors to those in the know.

While I am sure an old-fashioned butt-kicking is coming, the trend is still positive, and it pays to follow the trend.

Micro-Cap Millions

I have attached a Quick Start Guide below and will continue to do so for at least a few months as new people come aboard as subscribers. The User Guide addresses some ways in which to get started with the micro-cap strategy. I strongly urge you to read it.

I also would suggest being a bit tactical in trading the positions. That means using limit orders or spreading the orders out over a bit of time.

Micro-cap stocks are tiny, and the volume traded can be pretty low. Trading micro-caps is not like buying shares of Apple.

This newsletter trades on Monday because the data needed to calculate all of the formulas is updated over the weekend.

There is nothing special about Monday. Fools rush in where angels fear to tread. Be reasonable.

This is the first issue of *Unbounded Wealth: Max Profits*. There are no new buys or sells this week.

Here's the portfolio for this week:

| | |
|-------|--|
| ALJJ | ALJ Regional Holdings, Inc. |
| BKTI | BK Technologies Corp |
| CRAI | CRA International, Inc. |
| CRD.A | Crawford & Company Class A |
| FKWL | Franklin Wireless Corp. |
| HMTV | Hemisphere Media Group, Inc. |
| IHC | Independence Holding Company |
| ISDR | Issuer Direct Corp. |
| LOV | Spark Networks SE |
| NAII | Natural Alternatives International, Inc. |

Spark Networks SE (ticker: LOV) operates online dating sites that cater to the 40+ demographic. In the last fiscal year, revenue climbed 36%. The company generates an operating loss, but cash flow from operations more than doubled to \$18 million.

Earnings quality is solid. The balance sheet is reasonably sound.

The stock got smashed in the COVID scare last year. I guess online dating wasn't handy with people stuck at home.

Since then, the stock has had a nice basing pattern and has now broken out. As we all get back to normal, our eating habits are likely to follow suit.

Issuer Direct (ticker: ISDR) is a company that provides technology for shareholder communications. The stock has been on an absolute tear. Just looking at the chart, you wonder if it can go higher from here.

I always say the trend is your friend until the end when it bends. The stock has had modest pullbacks and reasserted itself time and time again over the last year. It's a beautiful thing to look at.

Revenue has been steadily marching higher, and cash flow from operations broke out of its base to a new high. The balance sheet is solid, and it's an attractive company operating under the radar of many investors.

That's it for this week. As a reminder, the Quick Start Guide is below.

Happy trading!

A handwritten signature in black ink, consisting of a large, stylized loop on the left and a series of smaller, overlapping strokes on the right.

QUICKSTART 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 there's nothing left to sell once investors have sold.

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. Suppose the *Risk-O-Meter* is currently on a buy signal, then dollar-cost average over four to six weeks. In that case, 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. Ten stocks are much easier to manage. I am all about the path of least resistance.

Of the ten stocks, some will undoubtedly look more compelling than others. That doesn't mean anything, though. I certainly cannot differentiate which among the ten 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 strategy's performance starts to move in the right direction.

You must pick an investment approach that suits your ability to stick with the system. Then it would be best if you stuck 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.

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