UNBOUNDED WEALTH

Happy Memorial Day and Your Extra Bonus Revealed!

Happy Memorial Day! Markets are closed on Monday as they should be.

If you're with friends and family and eating some good food and downing a few cold beverages this Memorial Day, take a moment of thanks and reflect on those that have answered the call and served this country.

For those subscribers that have served, thank you for your service. I will be thinking of you on Monday.

The United States of America is the greatest country on earth. It seems like a lot of the news today is designed to make us feel bad about ourselves. As someone who has traveled the world and especially to plenty of third-world countries, I have seen that the U.S. is a place people *dream* of coming to.

It’s very touching to experience first-hand. I know I am truly fortunate to be an American.

We owe a lot to the men and women in this country who protect and defend our nation.

Last week I mentioned that subscribers would be receiving an unadvertised bonus. It’s a $1,997 value and will be a product marketed separately. However, you get it for free. No strings attached.

This week I wanted to share the details of that bonus with you.

The micro-cap strategy in this newsletter is some of my best work. It’s well tested, based on years of experience, and has done well in real-time.

That said, trading smaller stocks can be a bit tricky. Sometimes, trading small stocks effectively requires using patience and tools of the trade such as limit orders. You may, from time to time, miss out on a trade.

I continue to believe that trading micro-caps will be very rewarding over time. Anything can happen in a day, week, month, quarter, or year. No one can predict the future.

That said, there are advantages of playing in a sandbox without the Big Boys on Wall Street kicking sand in your face. You can beat them at their own game with smaller amounts of capital.

There are also advantages to using earnings quality and momentum in investing strategies. This has been proven in both financial literature and testing as well as in real-time.

However, I am a guy that likes to follow the path of least resistance. If there's a simpler and easier way to accomplish a goal, then I am all for it.

This week I wanted to present another version of the same strategy as *Micro-Cap Millions* but with bigger stocks.

The advantage of trading bigger stocks is that you can mainly set it and forget it. The vast majority of the time, you won't need patience or limit orders. You can enter the trades and get on with your day.

I prefer to get on with my day. I do not like to sit in front of the computer and watch stock quotes. Many people do, and if you're one of them, then trading micro-cap stocks will be right up your alley.

If you want to trade the strategy and not think much more about it, going bigger will help.

The tradeoff is that as you trade bigger stocks, you get lower returns. The return potential is still tremendous. It's just not going to be as big as with micro-cap stocks.

The return potential is still significant. And, it may be worth the tradeoff of spending just a few minutes per week executing the orders.

Most of the time, the strategy will spit out mid-cap stocks. They tend to be in the range of $800 million to $20 billion in market value. That makes them easier to trade than micro-caps.

Another advantage is that these stocks tend to be holdings in exchange-traded funds. That adds to the liquidity of the stocks and makes them easier to trade.

After the first 30 minutes to an hour in the trading day, the bid / ask spreads should be narrow, and the trades can quickly be executed.

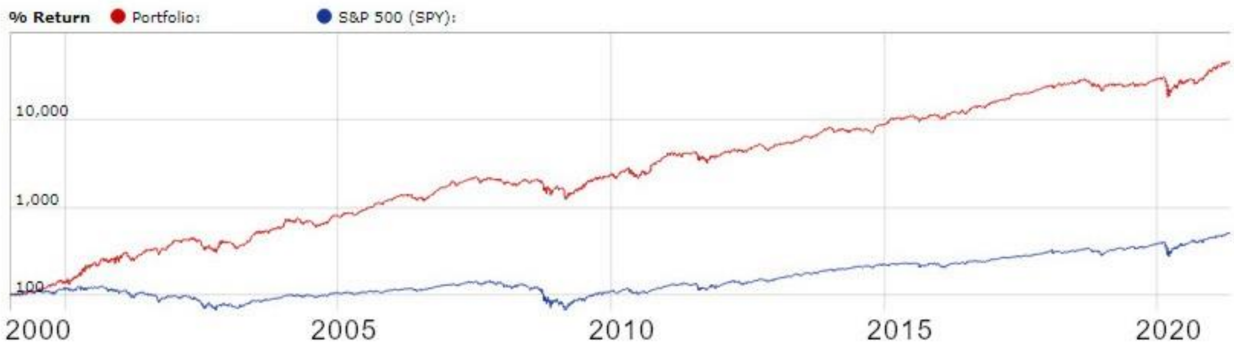
Other than that, the philosophy is the same between the two strategies.

Here are the results of the testing similar to what was done with the micro-cap models.

Mega Tech Trends

from 1999 to 2021

Total Return	44,627.34%
Benchmark Return	409.33%
Active Return	44,218.02%
Annualized Return	31.39%
Annual Turnover	715.42%
Max Drawdown	-45.34%
Benchmark Max Drawdown	-55.19%
Overall Winners	(953/1654) 57.62%
Sharpe Ratio	1.23
Correlation with S&P 500 (SPY)	0.70



As you can see, returns are lower than the micro-cap strategy (49% annualized), but overall still impressive relative to the S&P 500, hedge funds, and private equity.

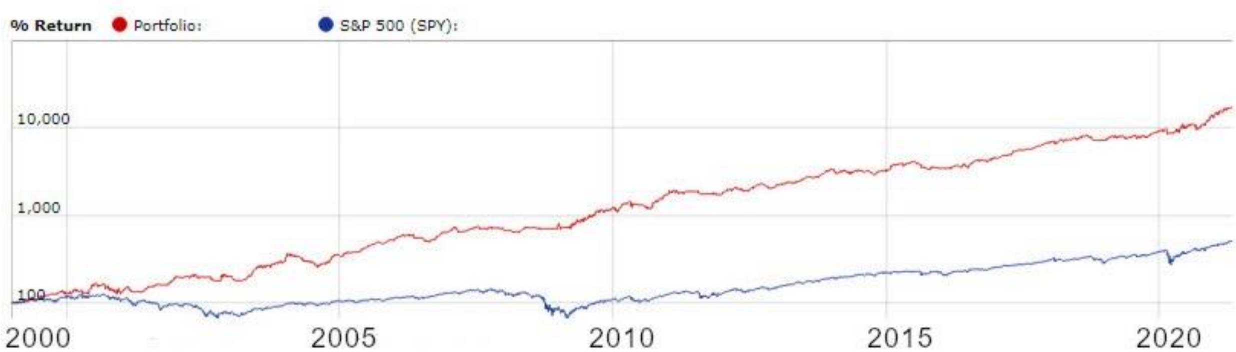
Risk is also below the market, and the risk-adjusted return (the Sharpe Ratio up there in the second to the last line) is exceptional.

When you add in the *Risk-O-Meter*, the return drops a bit more, as does the risk.

Mega Tech Trends

with Risk Meter from 1999 to 2021

Total Return	16,654.68%
Benchmark Return	409.33%
Active Return	16,245.35%
Annualized Return	25.75%
Annual Turnover	816.93%
Max Drawdown	-30.14%
Benchmark Max Drawdown	-55.19%
Overall Winners	(1063/1902) 55.89%
Sharpe Ratio	1.21
Correlation with S&P 500 (SPY)	0.52



The risk-adjusted return is about the same.

It's worth noting that the *Risk-O-Meter* is more effective at reducing risk for smaller stocks (with about a 20% drawdown in the *Micro-Cap Millions* strategy). This is because micro-cap stocks are more volatile, and if the *Risk-O-Meter* gets it right in a big way every once in a while during a market smash, it can save your bacon.

Anyway, now you'll have two strategies. They are very mechanical. These strategies do not take into account my feelings about specific stocks or the market. The market doesn't care about my feelings.

You may use both or just one or whatever suits you best. I would choose the mid-cap model with the *Risk-O-Meter* even though it's the lowest return? Why? Well, because it has the smoothest ride. I prefer the smoother ride.

Other people are okay with a bumpier ride and more dough in their pockets at the end of the day. There is no correct answer.

I just wanted to make your life a bit easier, giving you an option to have still the potential for significant returns in an easier to implement manner.

This strategy will be integrated into this newsletter. As I mentioned last week, you will not need to pay extra for it now or in the future.

To give it a name, I decided to call it *Mega-Tech Trends*.

“Mega” sounds big. I like big ideas. And, these are tech or healthcare tech stocks with the potential for massive trends.

The first set of stock ideas will be presented in the June 7 issue of *Unbounded Wealth: Max Profits.*

Until then, enjoy the holiday!

Happy trading,

John

Risk-O-Meter

The *Risk-O-Meter* remains on a buy since July 2020.

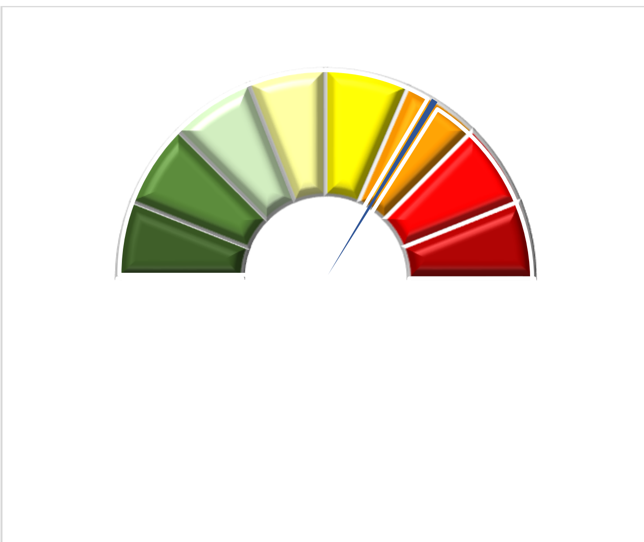
Risks increased over the week, and the *Risk-O-Meter* rose. Volatility continues to pick up, and the bond market action is back into red flag territory after easing off last week.

Market bullishness continues to decline week after week. It's now near a low for 2021, coming off of nosebleed levels just a month ago.

That said, those bulls have not become bears yet.

In addition, the market for growth stocks is oversold. As I mentioned last week, many people got spanked pretty hard in hot sectors like pot stocks.

Then for the privilege of making money last year, they had to pay taxes on those capital gains. I would not be surprised to see them bounce into Summer. But who knows? Regardless, the *Risk-O-Meter* remains on a buy signal this week.



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* located in your member area addresses some ways 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. This 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.

Here's the portfolio for this week:

ALJJ	ALJ Regional Holdings, Inc.
CRAI	CRA International, Inc.
CRD.A	Crawford & Company Class A
DLHC	DLH Holdings Corp.
HMTV	Hemisphere Media Group, Inc.
ISDR	Issuer Direct Corp.
MAGIC	Magic Software Enterprises Ltd.
NAII	Natural Alternatives International, Inc.
TAIT	Taitron Components, Inc.
WSTG	Wayside Technology Group

No new trades this week! Woohoo, we really can enjoy the holiday!

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 are many 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.

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