A SOLUTION TO THE VOLATILE
BUY - AND - HOLD PORTFOLIO

ASSET REVESTING

HOW TO EXCLUSIVELY HOLD ASSETS RISING IN VALUE, PROFIT DURING BEAR MARKETS, AND CONTINUE BUILDING WEALTH IN RETIREMENT

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Price charts shown throughout the book are from the charting platforms eSignal.com, and TradingView.com

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GETTING IN THE REVESTING MINDSET

Many investors take actions that aren't in their best self-interest. They make irrational trades based on "tips" they've heard or strategies they saw in some random article or video, or because they love and use a company's product. They trade based on emotion rather than logic, allowing greed and fear to drive their decisions. They hold on to losing positions due to their unwillingness to admit they made a bad trade. Or they feel they're stuck in the trade because their position is down too much, so it isn't worth taking the loss. They think it's better to hold until it recovers. The list is endless, but those are the main killers. Beware!

On the other hand, successful traders—like asset revesters—all have a few things in common. Developing these characteristics and habits will help make you a successful asset revester, too.

1. **Asset revesters set goals.** Asset revesters tend to be incredibly goal-oriented. Why? Most people perform at their best when they reach for a clear goal. There are three basic qualities that make up a clear goal:

a. It must be realistic. If your goal is to make 25 percent or more every year, it isn't realistic.

b. It must be attainable. Just like with a realistic goal, an attainable one must be within your current capabilities. The best goals are short-term. Make your first one small and then increase them as your experience and skills improve. World-class sprinters don't think they can win the Olympics in their first year.

c. It must be measurable. Goals that aren't precise enough to be quantified or measured aren't really goals at all. If yours is to be wealthy, that's great. But what does *wealthy* mean to you? Our guess is that your definition of wealth will change as you get older and your net worth increases. If you can't define your goal and measure your progress toward it, you have no way of assessing your progress. Therefore, you can't make changes to your techniques and strategies that allow you to reach your goal.

2. **Asset revesters are confident they can reach their goals.** Confidence is a key to staying rational, logical, and disciplined. Starting with small, realistic goals will help build your confidence in yourself and your abilities.

3. **Asset revesters realize that success can come at any level.** Whether you're a beginning asset revester, one with some experience, or someone who makes his or her living strictly from trading, you can be successful. Many people think they have to have significant capital or years of experience to pull money out of the market consistently. That's not true. By the same token, if you don't stay disciplined, focused, and rational, you'll end up as a losing trader, regardless of your level of "expertise." All successful individuals started with small accounts. They didn't trade more than they could safely risk, and they learned from their mistakes. They developed a system that worked for them and fit their personal style. Regardless of the strategy they create or select to follow, it will be logical, rules-based, and will require self-discipline to execute it with success.

4. **Asset revesters specialize.** It simply isn't possible to understand and stay in touch with everything that occurs in all types of investment vehicles and markets. While some asset revesters have developed systems that allow them to trade in multiple venues (for instance, in different stock markets around the world), most of them specialize in a particular type of investment and particular market. You may enjoy trading stock indexes, growth stocks, or precious metals, for example. By focusing on trading assets you're passionate about, you will stay in touch with those assets and related events easier because it won't feel like work. Whatever you decide to specialize in, it should be your focus and where the majority of your trades take place. If you aren't interested in options trading, for example, don't trade them. Your lack of knowledge and motivation would only cause you to lose focus and make mistakes. Successful traders pick an area and gain in-depth knowledge of it, following it closely and learning from past trends and patterns, as well as from their own experiences. If you're a beginning trader, we recommend focusing narrowly on a particular investment vehicle and market. Learn all you can in that area, both about the market and about yourself, before you move into other investment types.

5. **Asset revesters take losses in stride.** No one likes to lose, but losing is a fact of life for investors. The key is to *limit your losses* and maximize your successes. A losing trade is not a failure. It isn't a reflection of you or of your overall skill. After all, if it was possible to be right every time, we'd all be rich. Some of the best traders in the world take astounding losses. Look at hedge funds in 2022. Despite hedge fund managers' experience and access to both information and technology, the global hedge fund index showed the sector down by more than 11 percent during the first bear market sell-off from the beginning of 2022 to September 2022.[1] The only way a losing trade is

1 https://portal.barclayhedge.com/cgi-bin/indices/displayHfIndex.cgi?indexCat=Barclay-Hedge-Fund-Indices&indexName=Barclay-Hedge-Fund-Index

truly a failure is if you aren't willing to take the loss without hesitation and move on to find a different asset rising in value. By accepting that you've made a losing trade and getting out of the position, you can focus on making money—not on being right all the time. Many traders feel they don't want to lose money on any trade, and they stay in positions in the hopes that it will recover to at least the break-even point. If you aren't willing to take small losses or don't have the discipline to take losses, you should not be trading. There are three problems with holding onto positions falling in value:

a. The position may never recover to the break-even point.
b. It ties up capital that could be placed into winning trades.
c. It's an example of unfocused trading and a lack of discipline, which would mean you aren't qualified to be trading. If this is you, accept it, or prove me wrong and take action!

6. **Asset revesters stay focused during rapid swings.** Most of us were raised to think that it takes years of hard work to acquire wealth. That viewpoint doesn't apply to investing in the markets. You can make thousands of dollars in days under the right circumstances. In fact, I once made more than $127,000 overnight in a single trade back when I messed around with penny stocks. Mind you, it was pure luck, and twenty-four years later, I have never experienced anything like it again. So don't count on luck! Asset revesters understand that money can be made or lost extremely quickly, and they stay calm and rational when that happens. Why is that attitude important? Let's say you've made several thousand dollars over the course of a month trading ETFs. If you allow your emotions to take over, and you begin to feel thrilled and excited, you may lose your composure and start making irrational trades. You may stay in the position longer than you should for one of two emotional reasons:

a. You think the market will keep going up, and you don't want to limit your gains.

b. You see the market fall, but you don't want to admit the market move could be over. So you hold on, hoping your position will rally.

   If you accept and understand that huge amounts of money can be made or lost in a short time period while investing, you are more likely to stay disciplined. I always tell investors that asset prices fall three to seven times faster than they rise. In other words, you can wipe out seven years of gains in one year if you are not careful. If that isn't a wake-up call, I don't know what is. Asset revesters take their gains in stride, no matter how large or small the gain may be. They quickly move to protect their positions by setting stops, which lock in profit on a portion of their position to reduce their risk and market exposure.

7. **Asset revesters are flexible.** Staying flexible requires that again, you stay detached and unemotional about your positions. No matter how strongly you feel about your position or a new trade, you have to be willing to change that opinion and act quickly, if necessary, when the analysis or rules require action. Asset revesters change their minds quickly and easily, and they are not concerned about whether they were "right" or "wrong." When it comes to trading and investing, detachment is your friend. The more flexible and liquid you are, the more successful you will be.

8. **Asset revesters realize that bad trades reduce the gains made from past trades and also affect potential gains from future trades.** Have you ever noticed that investors often tell you how much they've made while trading but never how much they've lost? It's like a scratch ticket player who gets excited about winning $10 on a ticket, ignoring the $100 they spent on losing tickets over the month. Successful investors are concerned with maximiz-

ing their gains and minimizing their losses. And to minimize losses, you have to acknowledge having had them.

9. **Asset revesters don't leap before they look.** One of the most common mistakes inexperienced investors make is to trade when they see an opportunity that they think might be too good to miss. Your personality plays a large part in this, and I'll talk more about this fear (FOMO) and how damaging it can be. But for now, I'll say this: Jumping into a position based on a hunch or on the belief that you may be missing an opportunity is no different than gambling. This is where mistakes are made and losses are maximized. Uphold your strategy, and follow your rules, no matter what. I believe it's better to potentially miss out on some gains than it is to suffer from a stupid emotional trade that wipes out a big chunk of your recent account growth.
10. **Asset revesters practice self-discipline, applying skill and logic to their trading.** They learn every day, and they use what they know to make intelligent decisions. They don't worry about missing out, take great pride in having a detailed plan to follow, and believe in their ability to execute it perfectly.

You may have noticed that a running theme throughout this list is not to allow emotions to take over. Since 1997, I've been trading and teaching others, and it's become crystal clear that I can provide investors with the proven strategy of asset revesting. It only requires them to follow the detailed trade alert signals I send out to build a large investment account to retire on. Unfortunately, many fail to follow along to the letter because their emotions and lack of self-discipline get in the way.

Fear and greed usually drive trading failures and are behind the instances where a trader can blow up their accounts. I know this is easy to do, because I blew up three trading accounts while learning how to manage risk when I first started.

According to the thousands of investors and traders I hear from, the number one issue they face is managing their emotions.

So that's the most important thing you can do to secure your trading success, including your fear of missing out (FOMO).

Let's take a deeper look at how emotions may be interfering with your trading success and how to stop that from happening.

HOW ANALYSIS PARALYSIS HURTS YOU

There's a fine line between action and inaction and understanding when to reposition your portfolio. One mistake some traders make is not doing anything at all. This is called *analysis paralysis* because it can paralyze you into a cycle of watching, waiting, and hoping.

This phenomenon occurs when you become so lost in the process of examining and evaluating various points of data that you can't make a decision. Imagine being a bullfighter paralyzed in the ring because you're unsure which way to turn. In seconds, the bull takes action and charges. If you wait, it's too late. Inaction can literally kill you as a bullfighter. As an investor, it means missed opportunities and can easily lead to losses. Unfortunately, this is the status quo situation that traditional diversified strategies offer.

Often, when examining a chart to decipher which way price will move next, the pros outweigh the cons or vice versa, the trader will have a clear direction and decision to make. When they succumb to analysis paralysis, it's usually because they feel they have to leave no stone unturned, or perhaps the pros and cons are equally weighted. The brain processes a plethora of information at once, and the human attached to that brain can get locked up.

Analysis paralysis is the trading version of information overload. Or it could be a personality trait of indecision that needs to be identified and overcome in order to be freed of inactivity. It's like writer's block, a fear of making the wrong decision, or any other inactive moment that causes lockup and results in a missed opportunity.

An investor can get overwhelmed by multiple scenarios and possibilities of movement in price. For example, if you try to follow too many technical indicators, some may contradict others, which is a common issue for those without a proven strategy.

If you read the opinions of others, which contradict each other, this can also lead to paralysis. The conflicting views create confusion and make it almost impossible to execute trades with clarity, discipline, and confidence. So you miss the good moves because you aren't quick enough to figure out your signal or because you're looking for more confirming indicators, even when you know the move is imminent. Thankfully, asset revesting provides you with a solution and makes investing easier and more predictable.

I had my fair share of analysis paralysis before I learned to keep things simple. I used to delve into all the details, putting together speculative theories that sounded great. But when it came down to pushing the button to execute a trade, I couldn't do it.

The information available on the internet to feed your thirst is literally endless. You can search, search, and search some more until your mind is frozen. The dividing line between useful and necessary analysis and *overanalysis* is a very fine one, however. Even asset revesters are susceptible to analysis overload.

So what is really going on here? Why do we feel the need to overanalyze our analysis? Could it be that the habit hides a major psychological issue? We think so. We think maybe it's a desire for control.

The search for information and confirmation fulfills a primal human desire in all of us: the need for certainty. No one likes to feel out of control, and the market can often make you feel that way because it can be uncertain and chaotic.

When the winds of change blow, the need for certainty can kick in and override the decision-making tools that serve you as an investor or trader. Uncertainty can make you prone to doing things you know deep down will not work for you. It makes you fear change, even if you logically know it will be a good change. And it's like being that bullfighter staring down the bull without taking action. You have to act, overcome the fear, and pull the trigger to adjust and manage your portfolio.

All the analysis in the world won't guarantee that you're on the right side of a trade. Overanalysis serves as a mental safety net that cocoons you in an illusion. You think you can predict with a higher degree of certainty the most likely outcome of an impending move in an investment.

There are only four things you can know for certain as an asset revester when you put on a new trade, no matter how much time you spend on analysis:

1. Your position size.
2. Your entry price.
3. Where your stop is.
4. Where your targets are.

Beyond that point, you are in unknown territory. Deep down, every trader, investor, and asset revester knows this, even though we try to override this deep truth with our research.

Of course, I'm not suggesting you abandon research and analysis entirely. They are critical to help you gain an edge. But they're just tools, not means to an end. Realize that spending hours on analysis actually stops you from making money.

Traders are often attracted to complex methods and systems. Complexity, however, introduces risks of over-optimization and curve-fitting. This makes systems and strategies sensitive to any change in volatility or market conditions and could become difficult to follow if there are too many moving parts and rules. Complexity isn't always better. I actually think that the simpler things are, the more profound they will be.

So choose the methods that make sense to you and that you are comfortable with. Use the methods you can learn or that you already know well. If you do this, trading opportunities will be clear, and you will be able to assess situations effectively, evaluate risks, and execute with conviction.

As Mark Zuckerberg said, "The trick isn't adding stuff; it's taking it away."[2] Nothing could be truer. If you want to be a winning trader consistently, you've got to take baby steps. Learn one area of the market at a time, and use only the best indicators and tools possible.

With that said, I also understand that not everyone has the time or desire to learn how to interpret market movement and convert it into trade signals, which is where asset revesting signal providers can be a time and portfolio saver.

YOU MIGHT HAVE STOCKHOLM SYNDROME

To some extent, inaction from analysis paralysis is worsened by a kind of Stockholm syndrome experienced by investors who believe financial advisors and firms when they are told that abnormal results like bear market losses, and years without growth are actually normal.

Traditionally, this term has been applied to hostages when they develop empathy for their captors. The hostages begin to identify with and even assist their captors. The most famous case was that of Patricia Hearst, a kidnapped newspaper heiress who was brainwashed during her captivity into robbing banks with her captors in the mid-1970s.

Investors can fall prey to their own version of this syndrome.

2 Taulli, T. From Under the Hoodie: 5 Entrepreneurial Lessons from Mark Zuckerberg. *Entrepreneur.* April 14, 2016. Accessed July 19, 2023. https://www.entrepreneur.com/living/from-under-the-hoodie-5-entre- preneurial-lessons-from-mark/271229#:~:text='The%20trick%20isn't%20add- ing,'&text=%22%5BThe%20proposed%20social%20networking%20platform,- to%20work%20together%20with%20Zuckerberg.

ROGER'S STOCKHOLM EXPERIENCE

Roger was an investor interested in learning more about how I invest my capital. During our conversation, he told me about how he'd accumulated his million-dollar investment account while working a blue-collar job. He put away a few thousand dollars every year for thirty-plus years and followed the buy-and-hold strategy. He even asked his advisor to diversify his portfolio by picking some stocks he liked. It worked for him to build wealth because time was on his side, but it was far from sunshine and roses.

While the buy-and-hold worked during the first half of his life, it was challenging to weather bear markets along the way. For example, when stocks topped out in early 2000, his portfolio took over seven years to get back to even. During the bear market, he spoke with his advisor for investment advice. He was told: "Sit tight, ignore the falling prices, and you'll be fine if you hold through it." But the financial distress, sleepless nights, and relationship issues he had to endure when he was down more than 50 percent in only two years were a struggle, to say the least.

Roger then painfully watched his account claw its way back up for another five years, as the stock index reached its previous high. But the rollercoaster ride was far from over. Within a month of reaching a new high, the stock market collapsed again for another one and a half years. This was the 2008 global financial crisis in which he had to watch his investments fall more than 38 percent.

Once again, he called his advisor for support, but he was much more stressed and concerned this time. He was given the same advice, which cost him his marriage the first time around.

After several painful years from the 2000 market top, the stock market returned to a new high in 2012. This poor man suffered a total of twelve years with no growth and paid his advisor every year for this negative, life-changing experience.

By 2020, Roger was in his fifties. He'd built substantial wealth through his dedication to saving and investing. He had a huge scare, but survived the 2020 COVID crash by holding on for dear life with his sage investment advice to "just hold on." In 2021, when he closed his eyes, he could see, feel, and smell his retirement, which was just a couple of years away.

But then, the unexpected happened. Both stocks and bonds plummeted in value. Like so many others like him, this pushed his retirement further into the future, and with inflation surging, he needed to downgrade his lifestyle and spending habits. All of this happened within the first few months of 2022.

His anxiety rose as he watched his wealth shrink week after week. Finally, he knew something had to be done because there was no way in hell he was going to postpone his retirement for another decade.

Once again, he called his advisor, desperate to protect his retirement. To his surprise, even after telling the advisor about his situation, wants, and needs, he was told yet again to just wait it out.

Understandably, Roger blew a gasket, fired his advisor, and in a panic, moved to cash until he could figure out what to do with his life savings. His online research led him to call me to learn more about asset revesting.

Roger had fallen prey to Stockholm Syndrome in two different ways. First, he believed that the best way to grow his savings was to have a professional manage it for him. If he'd had a really good financial advisor, then there would be nothing wrong with this. Roger, however, did not have a good advisor, he had a lazy one. Secondly, by trying to help his advisor add more stocks to buy-and-hold in his portfolio, Roger struggled to break free of the financial strategies that he was told to follow since saving his first penny.

People like Roger are so worried about missing out on a stock market rally that they are willing to expose themselves to big losses, sequence of returns risk, and delay, or even the risk of destroying their retirement. If this sounds like you, it's time to wake up and smell the hot coffee.

THE IMPORTANCE OF YOUR PERSONALITY TYPE

I share my Myers-Briggs personality results (INTJ) publicly for a couple of reasons. First, I enjoy sharing life experiences with others, including investors I work with. I believe in being open and honest with people and that I can learn something from everyone. Building a bond and trust with those who have similar passions and desires feels good all around.

Second, if you understand how people's brains work and how they think and react, including your own personality, you have a huge edge when trading and investing.

If you've never taken the Myers-Briggs personality test, or you haven't taken it recently, I recommend that you do. As long as you answer the questions truthfully, it will reflect the person you are now.

Here is a tip, try not to over think things when doing the test. Just read the question and pick the answer that jumps out at you quickly, then move on to the next question.

Each letter of the personality code indicates your personality preferences in four dimensions:

1. Where you focus your attention: Extraversion (E) or Introversion (I)
2. The way you take in information: Sensing (S) or Intuition (N)
3. How you make decisions: Thinking (T) or Feeling (F)
4. How you deal with the world: Judging (J) or Perceiving (P)

There are sixteen personality types, and the ones with the highest distribution are:

- ISFJ
- ESFJ

- ISTJ
- ISFP
- ESTJ
- ISTP
- ESTP
- ESFP

A common thread among these top personality types is the *S*, which stands for Sensing, versus *N* for Intuition. Sensing focuses on what you can detect with your five senses. Intuition focuses on the impressions and patterns gathered from information (data, technical analysis, chart patterns, statistics, logic, etc.).

As we know, the majority of traders lose money. A study showed after tracking 10,000 trading accounts for a year that more than half of them *lost* money during a one-year bull market rally. I believe emotions are the culprit.

Statistics show that 73.3 percent of individuals fall into the Sensing category, and if you know anything about the financial markets and how they move, it's all based on their emotional reactions.

Another reason we trade on emotions and get sucked into news and opinions is that stories sell ideas. If told well, they can trigger the senses in our brain to see, feel, smell, and even taste the things detailed in the story or news clip. Sensing personalities tend to follow stories that should be ignored, which is why I, as a technical trader, consider news to be useless, distracting, and potentially dangerous noise when it comes to trading and investing.

The second most common personality trait is Feeling at 59.8 percent, which falls under the Thinking or Feeling category and also plays a role in our success as investors.

THE DIFFERENCE BETWEEN THINKING AND FEELING

This pair describes how you make decisions. Thinking focuses on objective principles and impersonal facts. Feeling focuses on personal concerns and the people involved.

If you have an *F* in your personality type, you will likely be more emotional as an investor, which can lead to poor timing in your investment decisions.

Warning: If you have both an *S* and *F* in your results, I believe it's vital to embrace who you are and take action to create a plan, steps, and rules to follow when trading and investing. It's much easier for you to get sucked into news, opinions, stories, and hype, as well as feel constant FOMO, because it's just how your brain works.

If you know your results already and have either or both traits, don't panic! Being a Sensing and/or Feeling person is wonderful. And heck, I wish I had more of those personality traits because I'm the polar opposite. As I mentioned, I'm an INTJ, which means my personality type is more like the character Data on *Star Trek* who follows rules and uses logic to make decisions. That's an extreme example but a good reference.

Also, I should be clear that none of this has to do with your IQ or experience level. This personality test tells you how your brain is equipped to handle long-term thinking and the big picture.

In general, successful people are future-oriented and create goals and visions of where they *will* be someday. They think outside the box and dance to the beat of their own drum. These individuals are driven and follow their natural skills and passions, which for me happen to be stock market analysis and investing.

I deal with a lot of emotional people in my line of work—the good, the bad, and the ugly. But I understand what most are going through. Making or losing money and listening to strong news stories spark emotions, and they always will. It comes with the territory.

So take this quick test, figure out how your brain works, read your complete personality profile, and let it sink in. Be proud of who you are and what makes you unique. It doesn't matter which personality type you are. You can still reach financial success.

Here's the link to take the test: www.16personalities.com.

TRADING PSYCHOLOGY

If you've had any education in trading at all, you've heard that self-discipline is a major key to successful investing. I want to touch on this topic for a few moments to reinforce this point. Understanding the psychology of trading is the distinction between winners and losers.

Only you can be accountable for your actions. All the books, podcasts, videos, manuals, courses, or mentors can't give you self-discipline. It has to come from you. That's why it's called *self*-discipline!

This means that trading successfully requires an extraordinary amount of self-control and self-understanding. It requires the ability to quiet your mind when fear, greed, and other emotions creep into your decision-making process. You must have the discipline to step back and not trade when the situation goes against your feelings. It takes the desire to delve into your psyche and figure out what makes you do the things you do. It requires complete honesty and objectivity.

I have read a lot of trading books, and by far the most exciting ones have been about what other successful traders have done and are doing to build wealth. The *Market Wizards* books by Jack Schwager offer a thorough account of trading. He interviewed the world's most successful traders, and came to this conclusion:

"What sets these traders apart? Most people think that winning in the market has something to do with finding the secret formula. The truth is that the common denominator

among the traders I interviewed had more to do with ATTITUDE than APPROACH."[3]

There are two aspects of investing psychology:

1. You must trust your trading method (in this case, asset revesting).
2. You must trust yourself.

It's obvious that to be a profitable trader, you need a viable trading method with setups, rules, and a plan that works. Without one, no amount of psychology will help you. Asset revesting is one such strategy.

The technical aspect of defining an investing method is academic. The psychological power to focus and remain disciplined is much more a matter of learning the techniques of spirituality and self-improvement. Both studies may sound contradictory, but they are the yin and yang of success in just about everything. Investing is no exception.

Knowing this is why I focus on helping those who have already been successful as an investor, professional, entrepreneur, or retiree. To be successful already, you must have drive, grit, focus, and be goal-oriented. It means with a little guidance, you already have the correct mindset, attitude, and self-discipline to become a successful investor.

At the end of the day, I want to be able to help everyone learn more about asset revesting and all the ways it can be used. But I cannot help those who won't help themselves first. I can't help those who see things only in black and white or right and wrong terms because this leaves no room for growth. I can't help those with a closed mindset, as there is no room for possibility. And I can't help those who are addicted to the rush of trading—who would rather be glued to the computer screen all day and experience the elation and pain of market pops and drops rather than watch their account steadily grow. And that's okay. Asset revesting is not

3 Minyanville. SPX Captures November's Markets; What's Next? *Nasdaq.* December 2, 2013. Accessed July 19, 2023. https://www.nasdaq.com/articles/spx-captures-novembers-targets- what-next-2013-12-02.

for everyone. Some aggressive traders have told me it's like watching paint dry. Some passive investors have told me that there is way too much action. If that's how they feel, that's fine, too.

EMOTIONS OF THE FOUR MARKET STAGES

Regardless of your personality type, you still run the risk of making decisions and trades based on emotion. In fact, these emotions are behind the four stages of the market and investments. Stan Weinstein coined them many years ago in his book Secrets for Profiting in Bull and Bear Markets, and I find they're a great way to identify market behavior and price characteristics:

- **STAGE 1, Accumulation**: The time when the volume of purchases increases.
- **STAGE 2, Markup**: The point at which buyers outnumber sellers and prices begin to rise.
- **STAGE 3, Distribution**: When the former buyers become sellers and stocks are being sold more than bought.
- **STAGE 4, Decline**: The point at which sellers outnumber buyers.

When a market or investment is in a basing stage 1, we know the price movement is driven by hope, while advancing stage 2 is driven by irrational exuberance and greed. The topping stage 3 represents a correction and top in prices, driven by the loss of optimism. This brings on fear and panic, both of which start the stage 4 decline where price is continually punished.

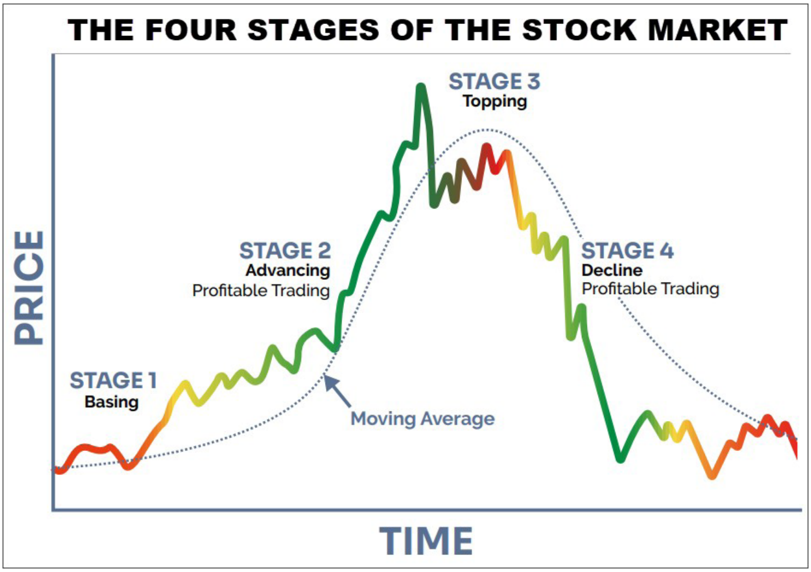

Figure 17

HOW TO RECOGNIZE STAGES

Recognition of each stage is paramount in trading, and here's how to do it.

The simplest way to identify the market stage is to use the 150-day simple moving average (Figure 17). Of course, you can get much more detailed in analyzing price, specifically using support/resistance levels, chart patterns, etc., but here are the core underlying rules to build upon:

Stage 1: Price fluctuates around the 150 SMA, which is relatively flat.

Stage 2: Price is consistently above the 150 SMA, sloping upwards.

Stage 3: Price is more volatile and fluctuates around the 150 SMA, which is relatively flat or rolling over.

Stage 4: Price is consistently below the 150 SMA, sloping downwards.

When we analyze market stages, we really are just analyzing the emotions of market participants who lack the skills and mindset to harness the markets. They can't see the forest for the trees. What's exciting is that knowing what we know, we can gain insight as to which stage the market is in, and depending how market participants are behaving, we can further gauge where in a stage the market is.

Figure 18

As an outsider looking in, it can at times seem that markets are behaving "irrationally" and out of order. That's because undisciplined investors are falling victim to their emotions and losing control of their objectivity. As people behave irrationally, the market does, too.

Emotions can be regarded as a relentless opponent, often showing up without warning and striking us at inopportune times. As asset revesters, we are able to recognize their presence, maintain objectivity, and constantly assess our own strengths and weaknesses. There will ultimately be times where we can't control our own emotions, but we can always control how we respond to them.

Any time you recognize that your emotions are influencing your outlook, you're already one step ahead of the average market participant. It's at this point that you step back, refocus your perceptions, examine the price charts, and take the appropriate action.

An understanding of herd or mob mentality is important for both traders and investors. It can provide you with an edge over the average participant who doesn't contemplate what's happening around them. In a mob, we never know what the feelings and motivations are of all the individuals. There are, however, certain emotions that seem to appear at distinct times, and there is a certain predictability in their development.

An assets price action is no different. While we never know the underlying feelings and motivations of all participants, there are distinct emotions that are shared by the herd at various stages of an assets cycle. An understanding of these and their implications on the price is an advantage for savvy revesters.

When we put all of this knowledge into practice and use an adaptive strategy that provides compound growth, as explained in Chapter 3, the investing process is not as random or risky as you may think.

All of this leads me to one final important point: successful investing and trading are boring. Yes, you heard me. The investors who think it's like watching paint dry aren't entirely wrong. But this is true of most things in life. Once you have mastered something and have a strategy, the process can feel relatively slow and dull. What this means is that you're in control of your money and emotions. But do you know what's never boring? Having more free time and money!

CONCLUSION

Ever since I began trading, I've become more and more passionate about helping others increase their skills and investment returns. My excitement for investing continues to grow each year, and I suspect it'll be the same for you. Once you have some wealth accumulated, the gains compound quickly, and it's addicting and rewarding like no other business.

I've worked hard to research the markets. I have lived and breathed trading since I was sixteen years old, and I'm now in my forties. I have survived and thrived through many bear markets, corrections, and wild market-moving events, and I want to give you the most current understanding of the financial market as a whole. Asset revesting has been key, and it provides a clear and simple solution for any trader.

As an investor, your ultimate goal should be to think of yourself as a risk manager. Continually reassess risk, and adjust your profit targets and protective stops. Always know what you're going to do before you do it. This will keep emotion from creeping in, which will steal or limit profits, break your trading rules, and undermine all your hard work. If you can manage risk, and therefore your emotions, the profits will follow.

In markets like those we have today, a trader's top priority is protecting capital. The reality is that it's extremely difficult to survive a bear market unscathed—unless you have proper guidance. If you don't have the guidance, you're probably going to face some deep financial trouble. You may have to delay your retirement or worse—completely shelve the idea of retirement altogether.

These risks are the whole reason why I'm committed to helping you learn how to take advantage of falling prices and advantage of new bull markets when they happen. So many people think avoiding corrections and bear markets is difficult. They think the markets can't be navigated. They've been brainwashed into believing that the traditional methods are the only way to lock in long-term gains. My experience and that of countless others has proven otherwise, which I've shown throughout this book.

This book, however, is just one piece of the process. You are now aware that there is a *different* way to invest and protect your capital. You now have investment options to choose from so that you can reach retirement sooner or generate more income in retirement.

If you follow the rules and tips for asset revesting contained within these pages, you will be off to a great start to creating your own asset hierarchy and strategy that fits your personality, risk, and available time. Or you will feel more confident about having one executed for you. Then, just maybe when the next downturn happens (and they always happen), you will be sitting on the sidelines toasting your good fortune with the cash you would have lost had you not found asset revesting.

Presently, as it relates to your investments, I want you to take a moment and ask yourself the following questions:

- Are you sick of watching your investments lose value during market downturns?
- Does losing significant amounts of your portfolio keep you up at night?
- Does the stress of investing your money make you miserable and feel overwhelmed?
- Are you ready to overcome investment fears to create a better future for yourself and your family?

Asset Revesting is the first step toward freedom

No more emotions in the way, no more switching and jumping from one strategy to another, no more aggressive trading that leads to big losses, no more struggling to follow a clear trading plan. Instead:

- **You can generate higher returns worry-free.**
- **You can have the power of compound growth with minimal effort and without drawdowns.**
- **You can spend more time doing the things you enjoy, including hobbies and travel, without worrying about money.**
- **You can enjoy your family and friends more.**
- **You can prudently conserve and grow wealth as a legacy for your family and the charities of your choice.**

But don't take my word for it. Listen to people who have already taken the plunge, taken control, and who opted to use my asset revesting signals service:

"This service is a calm in the storm with regards to this crazy market. It is helping me grow and protect my retirement savings through use of a controlled complex system which is quite easy to use." Ron Smith

"Chris gives daily video updates and really helps me to understand the markets and control my emotions when investing and trading. My results are now consistent, and I am growing my investment account." Richard Jaques

"Every morning, you get an 8-12 minutes video explaining the market conditions and what to expect in the market. Then at the end of the trading day he sends out another afternoon update summarizing the market and reviewing the trades. Customer service is exceptional. I have often emailed them with questions and received a reply the same day." Steve Sohm

"I am an industry professional of 30+ years and have worked in London for all that time. Seldom (if ever) have I felt so relaxed about leaning on technical analysis. My aim is to 'lean' more and more on this excellent service!" Jonathan Morgan

Become a revester, and join the thousands of people like you who are already experiencing more consistent returns and a richer, happier life.

FREE GOODWILL

> *"He who said money can't buy happiness, hasn't given enough money away."*
> *- Unknown*

Did you know that people who help others with zero expectation of reciprocal behaviour experience higher levels of fulfillment in life, love, longevity, and prosperity?

I'd like to provide an opportunity for free goodwill during your reading experience. To do so, I have a simple question for you:

Would you help someone you've never met if it didn't cost you money, and you never got credit for it?

If so, I have an "ask" to make on behalf of someone you do not know well, and likely, will never meet in person.

They are just like you, or like how you were years ago: less experienced, full of desire to help others, seeking information, but unsure where to look. This is where you come in.

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From the bottom of my heart, thank you for your consideration!

Your biggest fan, Chris

PS: If you feel good about helping others, you are my kind of person! I'm both excited and honoured to help you learn about a different way to gain control and become financially free in the coming chapters. You'll love learning about this investing style.

PPS — Bonus Goodwill: If you introduce something valuable to someone you know, they will associate that value with you forever. If you'd like to cast a wide net of goodwill and inspire others to do the same, send this book their way.

ABOUT THE AUTHOR

Chief Investment Officer Chris Vermeulen has spent more than twenty-five years as a technical analyst, equities trader, investment strategist, thought leader, educator, and entrepreneur.

His extensive trading and investment background comes from devoting his life to studying the financial markets, technical analysis, and risk management. Having traded and invested through multiple bull and bear market cycles, Chris understands the importance of capital preservation.

He is also the author of *Technical Trading Mastery — 7 Steps To Win With Logic,* which is the prequel to *Asset Revesting.* He has been a guest on numerous financial sites and stations, including Sprott Money, Cheddar, Yahoo Finance, Kitco, David Lin Report, and many others.

ABOUT THE CO-AUTHOR

Ashley Mulock, Chief Operating Officer at The Technical Traders, brings a unique and diverse background, honing communication and logistical skills across multiple fields after degrees in Outdoor Recreation, Tourism, and Geography.

With a Business Certificate and a degree from The University of Life, Ashley offers a fresh perspective, focusing on Operations, Client Care, and Finance.

As a student of trading and investing, Ashley naturally gravitated toward lower-risk investing strategies, which made logical sense, only to find out later that the investment industry uses risky methods. So after collaborating with others, she helped cocreate Asset Revesting, a style of investing that protects capital during volatile market conditions while generating solid returns for investors without risking their retirement.

TRADING RESOURCES

Technical Trading Mastery – 2nd Edition

Recommended reading for creating an asset reinvesting strategy: “7 Steps to Win with Logic” offers a proven foundation. The author Chris Vermeulen shares twenty-plus years of successful trading experience and detailed strategies to follow.

www.TheTechnicalTraders.com/books

Asset Revesting

Imagine if you could sell your investments as they started to top, then revest your money into different assets rising in value and never have to hold falling positions again.

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The Technical Traders

Asset revesting strategies, automated investing, educational videos, articles, and market commentary.

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ASSET REVESTING

ASSET REVESTING is an industry-breaking investment style that the outdated financial industry does not want you to discover. The authors show how using an asset hierarchy and deploying both risk and position management redefines how to build wealth and solves several financial problems most people don't even know they have.

This is a different way to invest. It sheds new light on the investing world's hidden realities, risks, and unknown opportunities. It is a must-read for all investors, especially those using a diversified buy-and-hold portfolio. The content will alter your thinking and improve your outlook on investing and life.

IF YOU'RE AN INVESTOR, YOU PROBABLY HAVE THREE CHALLENGES:

- You want higher returns with less stress and lower risk.
- You want to reach your financial goals faster.
- You are worried you will run out of money in retirement.

ASSET REVESTING CAN SOLVE ALL THREE OF THE CHALLENGES ABOVE:

- Increase your returns by holding only assets rising in value.
- Achieve your financial goals in years vs. decades.
- Become wealthier vs. poorer in your retirement.

This overview of Asset Revesting is the first step toward freedom. It's important to note that you won't find technical analysis or detailed step-by-step strategies here. Instead, you will learn what needs to be changed and how to harness this investing style, either on your own or with the author's help. This strategy is most efficient with investment accounts in the $100K - $5M range.

The approach tends to irk most financial industry professionals as it's human nature to dislike any method that breaks free from the "norm," thus threatening their foundation. Some may even attempt to discredit this style of investing to slow the change that the financial industry and investors desperately need.

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