tykr

21 TIPS TO INVESTING

www.tykr.com

INVESTMENT GUIDE

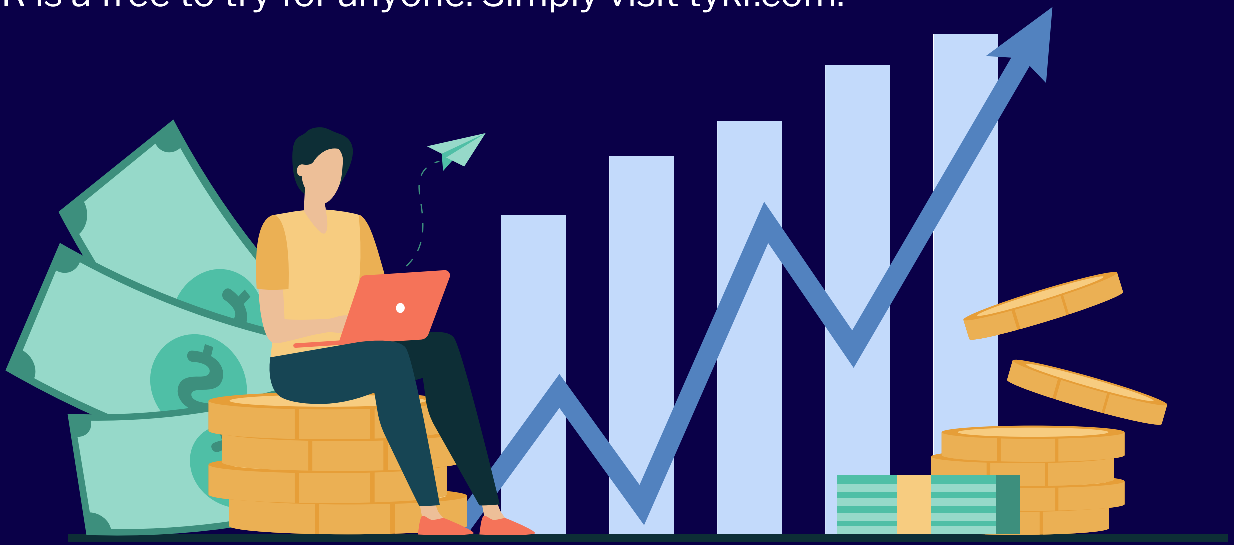
After you review this document, you will have knowledge to...

- ✓ Manage your own investments confidently
- ✓ Save money by managing your own investments
- ✓ Match market returns
- ✓ Beat market returns

YES, YOU ARE READY TO INVEST!

YES, YOU CAN TOTALLY DO THIS ON YOUR OWN!

Trust me when I say this, investing is not difficult. You'll quickly learn how to rely on Tykr and let Tykr do the hard work for you. You'll find that investing is something you can do on your own and you'll have fun doing it! TYKR is a free to try for anyone. Simply visit tykr.com.



TOPICS

1 HOW TO INVEST YOUR FIRST $1,000

If you're new to investing and not sure where to start, this tip will point you in the right direction.

Your first investment is always a little nerve-racking. You're about to put money in the market and watch it go up or down. The following steps will ease your nerves and allow you to get started with confidence.

STEPS

1. SELECT A BROKER

Before you start investing, you'll need to setup a broker if you haven't already. Tykr is a stock screening platform not a broker platform. A broker platform is where you'll connect your bank account and deposit your first $1,000.

When you sign up for your broker, it may ask you if you want a Cash Account or Margin Account. Select Cash Account which means you'll only invest the cash you add to the broker. Margin Account means you may borrow money from the broker similar to borrowing money from a bank (in the form of a loan). We don't recommend borrowing money to invest, we recommend you invest your own money.

The most popular brokers are:

Best for US based investors

TD Ameritrade – #1 choice for US based investors. Free commissions.

Etrade – #2 choice for US based investors. Free commissions.

Best for non-US based investors

Firstrade – About 30 countries. Free commissions.

InteractiveBrokers – About 190 countries. Low fee commissions.

2. SETUP YOUR BROKER

When you sign up for your broker, it may ask you the "Purpose". Some of the options may include growth, preservation of capital, income generation, hedging, active trading, and speculation. You can select any of these but the option that has the least follow-on questions is Growth. Overall, you want use your broker to grow your wealth. The primary focus is not to generate income although you can certainly withdraw cash if needed. You will also not use this account to hedge, trade, or buy speculative stocks.

3. REVIEW THIS 21 TIP INVESTMENT GUIDE

The hard work is done! Setting up your broker is the most difficult part of the process. Now you can move onto the fun part, investing! Before you start investing, we highly suggest you read all 21 steps. This will teach you steps such as when to buy, when to sell, and how to reduce risk.

4. JOIN TYKR FOR FREE

When you join Tykr, you have two easy places to start. You may click on “Sean’s Portfolio” which you will see if you are a Pro user. These are the top 10 stocks the Founder & CEO of Tykr, Sean Tepper, holds in his portfolio. This is essentially the “put our money where our mouth is” feature. You can literally invest side-by-side with Sean if you want. You may also click on the Top 50 which are a list of stocks with the highest scores (20 being the best and 0 being the worst). The higher the score, the safer the investment.

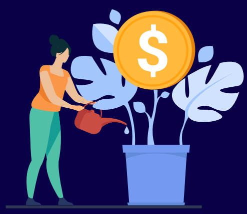
5. BUY STOCKS

Now go back to your broker and buy the stocks you found in Tykr. When you buy a stock, your broker platform may have you choose between Market Order or Limit Order. Market Order means you’ll buy at the price shown. Limit Order means you will need to set a limit at which the stock will be purchased. We recommend Market Order as it’s much easier.

6. RELAX

If you buy a stock and the stock goes down right away, just relax! If you reviewed these 21 Tips to Investing, and bought an On Sale stock, the chances of making money on your investment is very high. You have to remember that investing requires patience. You’re going to invest and hold for weeks, months, and in some cases, years. Now sit back, relax, and let the power of compound interest go to work for you.

2 HOW MUCH SHOULD YOU INVEST EVERY MONTH?



You may be wondering how much you should invest every month?

You shouldn't think of the number in dollars, you should think of the number in percentages. The question is, what percent of your monthly income can you invest?

We typically recommend that you invest between 15% and 30% of your monthly income. If you can't invest 15% yet, that's okay. Start with a percentage that is comfortable for you and then work your way up to 15% or more.

Get into the habit of treating your investment portfolio as an essential budgeted line item like your mortgage/rent, cell phone bill, and heating bill. Continuous contribution to your investments is important if you want to retire.

3 SHOULD I BE INVESTING OR TRADING?

1) TRADING IS A JOB

The fundamental difference between investing and trading is Investing allows your money to work for you whereas trading you are still working for money like any other job. I don't know about you, but I like making money while I sleep, while I'm enjoying hobbies, and while I'm on vacation. With trading, you can't do that.

2) TRADING IS HIGH RISK

Investing is the strategy of buying stocks that are On Sale and allowing your money to make more money (leverage the power of compound interest). This is a safe, conservative, and passive approach. Trading on the other hand is a high-risk strategy of buying a stock or option and selling the same day (day trading) or selling within a short period of time such as 30, 60, or 90 days (swing trading).

3) TRADING IS TIME-CONSUMING

Investing requires 15 minutes per week whereas trading requires more than 4 hours per day. In fact, I know some traders that trade 8 – 12 hours per day.

4) TRADING IS NOT CONSISTENT

When you invest in stocks that are ON SALE, you have a high probability of making money consistently. For example, with Tykr, I've been earning between 15% and 50% consistently for five years. With trading, you have a high probability of losing money consistently. In fact, I know a specific trader who made 5 percent last year but the previous 9 years he made -10% or less. In other words, he's dug himself into a hole and can't get out.

5) THE STATISTICS SHOW THAT 99% OF TRADERS LOSE MONEY

This article on LinkedIn explains why 99% of traders lose money. Trading is a zero-sum game because you are "trading". Let that sink in. One person is buying from another person. One person claims a loss while the other person claims a profit. On the other hand, everyone can win with investing. If 1 million people invest in a great business, half of those people don't claim a loss. All 1 million profit. Everyone wins! This is one of the many great benefits of investing.

6) THE NUMBER OF BILLIONAIRE INVESTORS VS BILLIONAIRE TRADERS

How many billionaire investors vs billionaire traders are there? Spoiler alert, there are zero billionaire traders. It's a game people play to look for a quick buck. It's like going to the casino and betting on black. If you like gambling and need to"scratch the itch" or "feed the addiction" than go ahead and trade but keep in mind, very few build wealth from trading. On the other hand, there are almost 3,000 billionaires in the world as of 2021 and the majority made their money from investing. Learn more here on Forbes.

Overall, we have nothing against trading, we just like making consistent reliable returns on our investments. The key to building wealth is "consistent".

4 WHAT IS THE SUMMARY AND HOW TO USE IT?

The SUMMARY is the most important part of Tykr. Tykr has a very clear-cut rating system. Every stock is either classified as **On Sale, Watch, or Overpriced.** This allows you to easily make buying and selling decisions with confidence.

Keep in mind, Tykr does most of the hard work for you but you still need to apply the 4 M's before buying or selling a stock. We'll touch on the 4 M's in another tip but here is a quick summary:

MOS (Margin of Safety): This is the math part that Tykr handles for you. It determines if a stock has a summary of On Sale, Watch, or Overpriced.

Meaning: Do you know the business, industry, and sector? Do you know if this business or industry will be around in 10 years or more?

Moat: Is the business easy or hard to duplicate?

Management: Is the business run by good leaders?

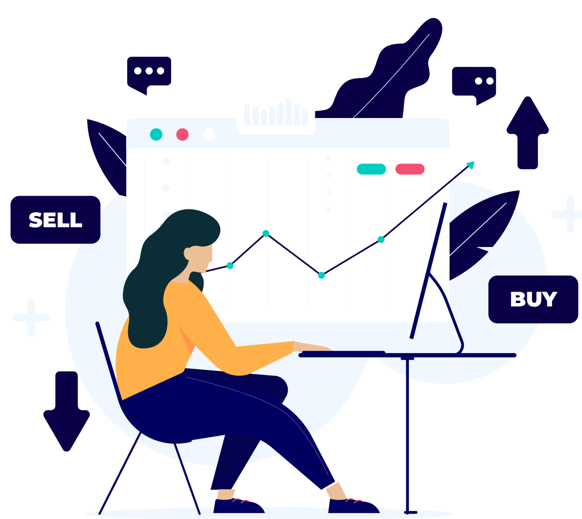
Here is the 4 M's Investment Guide.

Here is how the summary is determined:

On Sale: If MOS is equal or greater than 50% and score is equal or greater than 10, the stock is On Sale. On Sale stocks tend to increase more than Overpriced stocks. This is the foundation of value investing. You want to look for On Sale stocks.

Watch: Watch means you may add this stock to your watchlist. If MOS is greater than 50% and score is less than 10, the stock is Watch or if MOS is less than 50% and the score is greater than 10, the stock is Watch.

Overpriced: If MOS is less than 50% and the score is less than 10, the stock is Overpriced. Overpriced stocks tend to decrease more than On Sale stocks.



5 WHAT IS THE MOS AND HOW TO USE IT?

The higher the MOS (Margin of Safety) the higher potential returns you can make. MOS is the Share Price discount off the Sticker Price.

Within Tykr, we like to see an MOS of 50% or more.

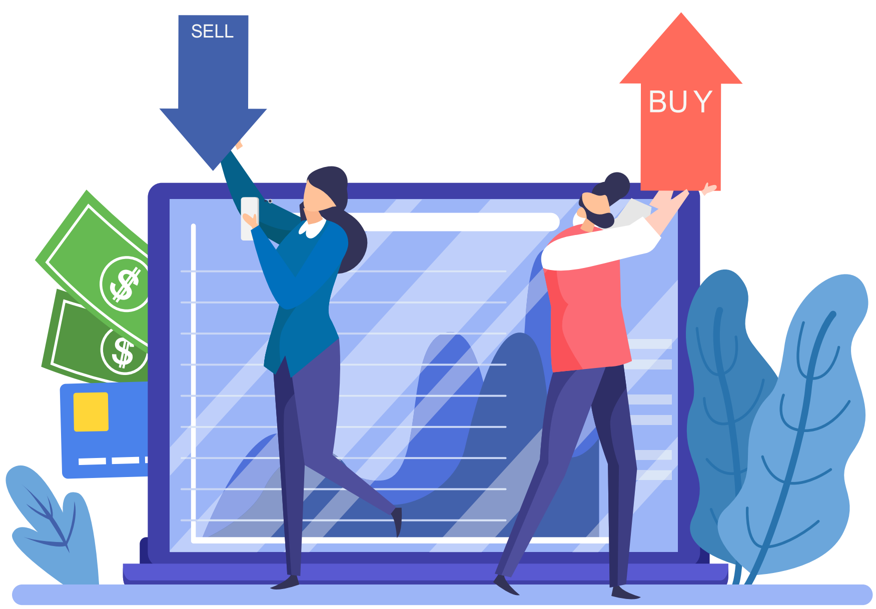
For example...

If the Sticker Price is $200 and the Share Price is $100, that means the MOS is 50%. ($100 is 50% off $200).

If the Sticker Price is $400 and the Share Price is $100, that means the MOS is 75%. ($100 is 75% off $400).

You should place more emphasis on the MOS than the share price.

If you would like to learn how we calculate the sticker price, please visit the Calculations section within our support site.



6 WHAT IS THE SCORE AND HOW TO USE IT?

The higher the score, the safer the investment. The range is 0 – 20 where 0 is bad and 20 is good. This represents the overall financial strength of the stock.

If a stock has strong financials, it's proving to investors like you and I that's it's a good investment. The chances of losing money over the long term on a stock with a high score, is very small. In other words, if you invest in a company that's working hard to keep financials extremely healthy, you have a high probability of making money.

Let's break down the points and how they are achieved. You may also find these scores and the definition of each score on the why page of each stock within Tykr.

ROIC (Return on Investment Capital) – Maximum score is 6/6

Return on invested capital (ROIC) is used to determine a company's efficiency at allocating capital to profitable investments. The higher the score, the more effective a company is using its capital to generate returns.

On the Income Statement, the data points you'll want to pay attention to most include:
• Income Tax
• Net Income
• Interest Expense
• Depreciation and Amortization

On the Balance Sheet, the data points you'll want to pay attention to most include:
• Debt
• Equity

These variables factor into the Return on Invested Capital. If the ROIC is increasing from year to year, this is a great sign.

Equity GR (Equity Growth Rate) – Maximum score is 3/3

Equity represents the amount of money that would be returned to a company's shareholders if all of the assets were liquidated and all of the company's debt was paid off. The higher the score, the more the company is growing its equity year over year.

On the Balance Sheet, the data point you'll want to pay attention to most includes:
• Equity

If Equity is increasing from year to year, this is a great sign.

EPS GR (Earnings Per Share Growth Rate) – Maximum score is 3/3

The higher the EPS, the more profitable a company is considered. The higher the score, the more the company is increasing its EPS year over year.

On the Income Statement, the data point you'll want to pay attention to most includes:
• EPS

If EPS is increasing from year to year, this is a great sign.

Sales GR (Sales Growth Rate) – Maximum score is 3/3

Sales represent the revenue of the company. The higher the score, the more the company is increasing its revenue year over year.

On the Income Statement, the data point you'll want to pay attention to most includes:
• Revenue

If Revenue is increasing from year to year, this is a great sign.

Cash GR (Cash Growth Rate) – Maximum score is 3/3

Cash is the cash that a business has available. A business with more cash available is going to be better prepared for economic downturns. The higher the score, the more the company is increasing its available cash year over year.

On the Cash Flow Statement, the data point you'll want to pay attention to most includes:
• Free Cash Flow

If Free Cash Flow is increasing from year to year, this is a great sign.

Payback Time (Time for an investment to double) – Maximum score is 1/1

10 years or less = 1 point. Payback Time is the estimated time it will take for the stock to double. This is calculated based on the growth rate of the stock price. This number should not be taken literally. Payback Time should be used as a comparing tool against other stocks. Important Note: If the Payback Time is 0 or a negative number, that means the stock is underperforming.

MOS (Margin of Safety) – Maximum score is 1/1

Greater than 50% = 1 point. The higher the MOS (Margin of Safety) the higher potential returns you will make. MOS is the difference between the share price and sticker price where sticker price is the real value of the stock.

As you can see, the maximum score that may be achieved is 20/20.

7 WHAT IS THE PAYBACK TIME AND HOW TO USE IT?

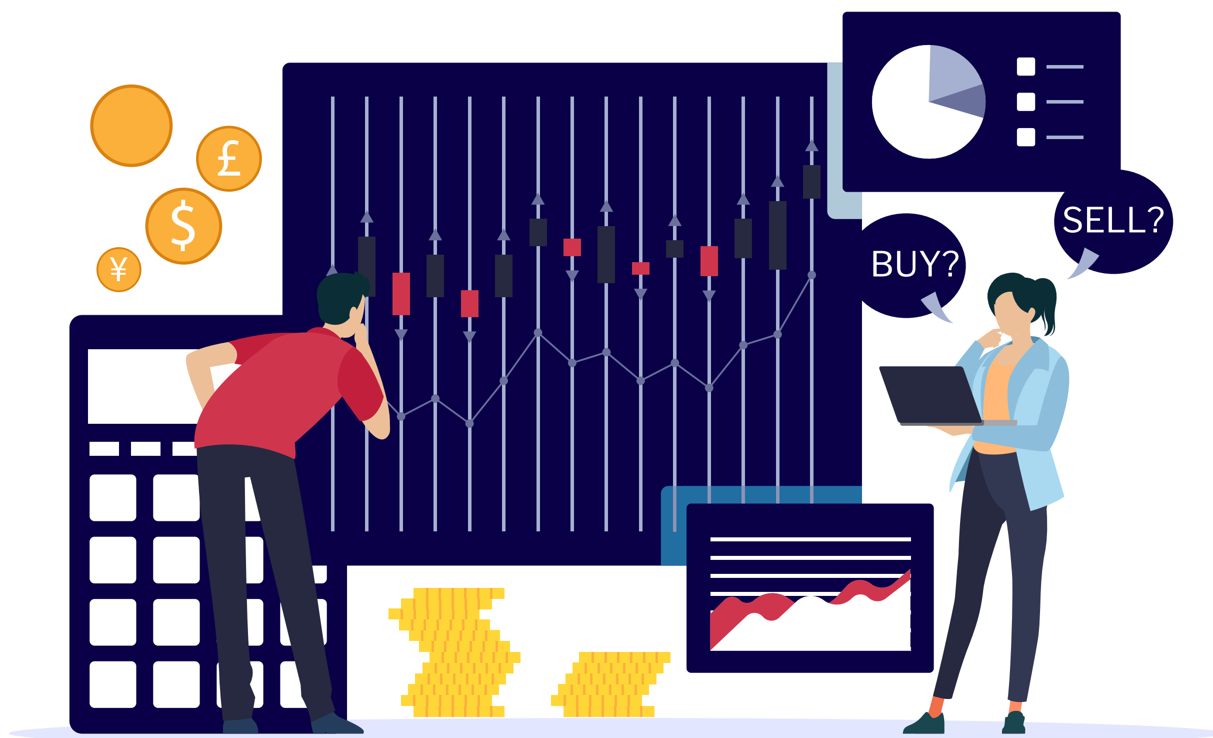
Payback Time is the estimated time it will take for the stock to double. This is calculated based on the growth rate of the stock price. This number should NOT be taken literally. Payback Time should be used as a comparing tool against other stocks. For example a stock with a Payback Time of 3 years will most likely double faster than a stock with a Payback Time of 7 years.

There are circumstances when some stocks will grow much faster than the listed Payback Time. Let's take two stocks that have relatively close Scores and compare their Payback Times as well as their results. Here are two examples for January of 2021.

- ✔ FTNT has a Score of 13 and a Payback Time of 3.98. Regarding the score, this means the stock price is estimated to double in 3.98 years. In this case, FTNT was at $77 in October of 2019 and as of July of 2020, it was at $149. That's a total return of 93%. This stock nearly doubled in less than one year.
- ✔ CPRT has a Score of 15 and a Payback Time of 8.73. Regarding the score, this means the stock price is estimated to double in 8.73 years. In this case, CPRT was at $79 in October of 2019 and as of July of 2020, it was at $90. That's a total return of 13%.

As you can see, FTNT is doubling faster than CPRT. Use the Payback Time as a comparing tool against other stocks.

These are two examples from the past. Please log into Tykr to see updated data.



8 HOW TO STOP MISSING OUT ON GREAT OPPORTUNITIES

At this point, you understand the Summary, MOS, Score, and Payback Time. You are now well on your way to increasing your investment returns.

Before we dive into investment examples, I have a few questions for you…

Imagine if you were to invest in a stock at the exact right time?

Imagine if you were to invest in a stock before it becomes mainstream news?

Imagine if you were early to the investment as opposed to late (like most investors)?

Check out these stocks and their returns since they went public. What if you were to make an investment in a stock and achieve returns like these listed below? Would that change your retirement timeline?

ADBE – up 246,100%
HD – up 2,052,000%
JNJ – up 34,810%
NFLX – up 40,260%
NVDA – up 34,030%
UNH – up 249,400%
WMT – up 309,000%
Examples…

FTNT (Fortinet)
In the previous article I mentioned FTNT (Fortinet). FTNT is an enterprise cyber security SaaS (Software as a Service) platform. In layman terms, FTNT provides cyber security software to large corporations and protects those corporations from internet malware. Cyber security is and always will be an ongoing need as long as the internet exists and you and I both know the internet isn't going away.

Summary: On Sale
MOS: 70%
Score: 13

Here is another example you probably haven't heard of:

PCTY (Paylocity)
Paylocity is an enterprise human resources software. In layman terms, PCTY provides HT, payroll, and benefits software to large corporations. As long as corporations have employees, they will need HR software.

Summary: On Sale
MOS: 70%
Score: 13

Overall, FTNT and PCTY are just the beginning. There are plenty of other great on sale stocks hidden in Tykr. It's just a matter of finding them before the rest of the world finds them first.

FTNT and PCTY are examples from the past. Please log into Tykr to see updated information.

9 THE 4 INVESTMENT STRATEGIES AND WHICH IS BEST

The 4 investment strategies are as follows:

1) VALUE STOCK INVESTING:

Value stock investing is the strategy of buying on sale stocks that are a significant discount off the sticker price. This is essentially what Tykr does for you automatically. In fact, it goes a step further by adding a point system (0 – 20) to the stock. The higher the points, the less risk. It's that easy. I've been using Tykr to generate average returns ranging between 15% and 50% for five years. Overall, value investing is a very easy way to build wealth.

2) GROWTH STOCK INVESTING:

Growth stocks are those companies expected to grow sales and EPS (earnings per share) at a faster rate than the market average. Tykr is an excellent tool used to find value stocks but not growth stocks however, there is a way to find growth stock investments on your own. We'll touch on that within the next article titled 4 M's. Keep in mind, there are a lot less growth stocks in the market than value stocks but if you find the right growth stock, you can make great returns. Also keep in mind, growth stock investing is riskier than value stock investing. Some stocks may be perceived as growth stocks but they can actually be speculative stocks that are driven by emotions. We'll touch on speculative stock investing below.

3) SPECULATIVE STOCK INVESTING:

Speculative stock investing is where most inexperienced investors lose money. Bitcoin, marijuana stocks, and penny stocks (any stock less than $5 is classified as a penny stock) are speculative investments. These stocks are driven by emotions. A lot of people can fall into a FOMO (fear of missing out) trap of trying to get rich quick but end up losing large sums of money. A great way to determine if a stock is speculative is to look within Tykr. If a stock is growing fast but is overpriced, in most cases it's speculative.

4) DIVIDEND STOCK INVESTING:

Dividend stock investing is the strategy of buying stocks with dividends and getting paid quarterly for simply holding those stocks, no matter if the share price goes up or down. You can build wealth through dividend investing but it can take a long time. By using Tykr, value stock investing will build wealth significantly faster.

Overall, building wealth is not achieved through luck or taking large risks. Ask anyone out there who has become a millionaire or billionaire and they will tell you the key word to building wealth, especially through investing, is through "Consistency".

Value stock investing is by far the best investment strategy. It is the easiest path to wealth creation because of consistency. When you achieve consistently high returns year over year in the market, that's where real wealth is created.

Growth stock investing can generate high returns but it comes with higher risk.

Speculative stock investing I avoid at all costs. This is a surefire way to lose money. Another great thing about Tykr is it always classifies speculative stocks as Overpriced. I'll never have to worry about buying a speculative stock.

Dividend stock investing can take a long time to build wealth. Because of Tykr, the compounded returns with value stock investing outweigh dividend stock investing by a long shot. If you're interested, Tykr does show the dividend and dividend yield of stocks.

10 THE 4 M'S AND HOW TO USE THEM?

The four M's of investing were coined by Warren Buffett and further employed by numerous other top investors including my mentor, Phil Town.

The 4 M's are Margin of Safety, Meaning, Moat, and Management.

Here we go...

1. MOS (MARGIN OF SAFETY)

MOS is the foundation of Value stock investing. As discussed in the previous tip, value stock investing is the strategy of buying ON SALE stocks that are a significant discount off the intrinsic value. This is essentially what Tykr does for you automatically. In fact, it goes a step further by adding a point system (0 – 20) to the stock. The higher the points, the less risk.

2. MEANING

The meaning requires some business acumen. Do you understand the business? Do you understand the industry? Do you understand the sector? Warren Buffett has stated that an investor should never invest in a business they don't understand. In my case, I would say I'm very knowledgeable with tech stocks, having over 15 years experience in software engineering. On the other hand, I know very little about pharmaceutical stocks. In this case, I avoid pharmaceuticals. As you can see, I only invest in businesses I know.

3. MOAT

The moat also requires some business acumen. Is the business easy or hard to duplicate? Does this business have a lot of cash on hand? Does this business have a strong brand moat (Coke, Visa, and Apple are strong brands). A business that is hard to duplicate and has low competition is typically a wise investment. In other words, it has a wide moat.

4. MANAGEMENT

The management requires you to be a good judge of character. If you are someone with high integrity and character, you can usually see through the BS pretty quickly and understand someone's true intentions. Some key identifiers to pay attention to... Does the CEO take blame for mistakes or do they point fingers? Does the CEO cause drama on social media or do they remain relatively quiet? Does the CEO make wise decisions or poor decisions? A good leader owns their mistakes, has high integrity, and makes great decisions for their customers and shareholders (you and I). An investor should invest in businesses that are run by great leaders.

If you find a stock in Tykr that is ON SALE, you understand the business (Meaning), you see that it is hard to duplicate (Moat), and is run by leaders with strong character (Management), then you truly have found yourself a wise investment.

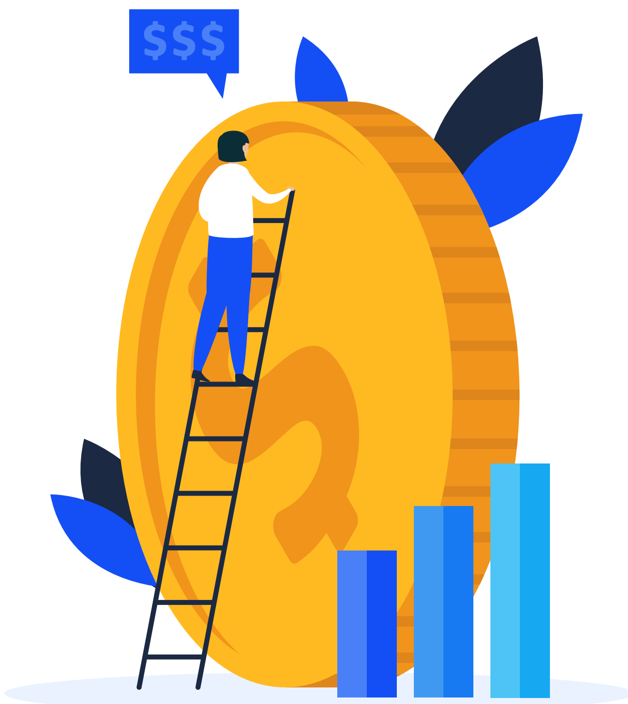
Here is an example of how to use the 4 M's to find a growth stock. We applied the 4 M's to AAPL in January of 2021. Please keep in mind the Share Price, MOS, and Score have changed since January of 2021.

1. MOS (MARGIN OF SAFETY)

Margin of Safety is the principle of buying stocks that are 50% OFF the intrinsic value. If a share price is $100 and the sticker price is $200, that would qualify as a 50% discount. Tykr has classified AAPL as OVERPRICED. The share price is $117 and the sticker price is $55. We're going to disregard the MOS in this case and move onto the other 3 M's to see if AAPL is a growth stock.

2. MEANING

The business is easy to understand. In this case, most people around the world know Apple. It's a household name for phones, tablets, and computers. Keep in mind, a speculative stock will not be a household name. Most people will not be familiar with it and if they are, in most cases they won't understand how the business makes money. The meaning checks out for AAPL so we'll move onto the next M.



3. MOAT

The business has a wide moat. In other words, it's hard to duplicate. Many would argue that the iPhone is the best phone on the market. An article from tomsguide.com gives many reasons why iPhone is better than Android including performance, hardware and software integration, ease-of-use, and priority on new apps.

Apple also has a strong brand moat. People buy Apple products because of the name "Apple". It's like buying a Coke product. You don't walk into a store looking to buy a "cola". You look for a "Coke". When you're looking for a "tissue", you look for "Kleenex". You get the idea.

Apple also has a cash moat. They have $200B available to spend on R&D (Research and Development). That's a great place to be! They have the ability to create highly innovative products and they have the ability to withstand economic downturns. To provide a comparison, Samsung has $88B cash on hand.

Keep in mind, a speculative stock will not have a wide moat. They will have a lot of competitors, be fairly easy to duplicate, and won't have a lot of cash on hand.

4. MANAGEMENT

The business is run by a great leader. In the case of Apple, Tim Cook has stepped in and done an excellent job running Apple since the unfortunate loss of Steve Jobs in 2011. In fact, an article from Forbes states that grooming Cook as Apple heir was one of Steve Jobs greatest accomplishments. Keep in mind, a speculative stock won't have a well known and highly respected CEO.

When you take a step back and look at the 4 M's, AAPL checks the boxes on Meaning, Moat, and Management. Although AAPL is OVERPRICED, it's indeed qualified a GROWTH STOCK.

11 HOW MANY STOCKS SHOULD YOU OWN?

A big question a lot of investors ask is how many stocks should you own?

Benjamin Graham recommends holding 10 – 30 stocks.

Warren Buffett has stated that “Diversification makes very little sense for anyone who knows what they are doing. Diversification is a protection against ignorance. Investing in the entire market is fine if you don’t know how to analyze businesses. If you do know how to analyze businesses, it’s crazy to own 50, 40, or even 30 stocks.”

Charlie Munger has stated that “Diversification can make sense for individuals who are just trying to hit the market average.”

I’ve been using Tykr to generate consistent returns ranging between 15% and 50%. To do this, I make sure I don’t own to many stocks. If you do own too many stocks, you will end up creating a portfolio that mirrors a mutual fund, index fund, or ETF. Bundled products only return about 6% to 8% per year on average. There are too many stocks and unfortunately the low performing stocks will hold back the high performers.

If you want to keep a larger portfolio and are okay with earning between 6% and 8%, that’s fine as well. Just keep in mind, the more stocks you own, the more difficult it will be to earn higher than 15% consistently.

I recommend holding about 10 – 15 stocks. If you are a pro user, you can see the stocks I hold in my portfolio and why.

I also recommend you diversify your stocks over 3 – 4 sectors. In other words, don’t own all Tech stocks or all Financial stocks. Try to spread your stocks over multiple sectors. That way, if one sector starts dropping, your entire portfolio won’t drop.

12 HOW TO HANDLE WEIGHTED ALLOCATION

I find that many investors place extensive focus on weighted allocation. When you have a portfolio of 50, 100, and sometimes 500 stocks or more, then yes, weighted allocation should be on your mind.

If you have a portfolio of 10-15 stocks, your weighted allocation strategy is simplified.

My allocation strategy is handled as follows. I have three specific ways to handle weighted allocation.

1) 50% CASH ALLOCATION

Every month I take 50% of the funds that moved from my bank to my broker and and keep them in cash. Yes, cash.   Check this out... I set those funds aside and I wait for moments in time when the market drops to buy larger volumes of On Sale stocks. This strategy, taught by Phil Town, is known as “Stockpiling.” this is what I did during the covid-19 drop in march of 2020. In 2020, my portfolio returned 120%.

Pullbacks in the market and crashes won’t happen every year. When they do, you need to get excited! Be prepared with extra cash on hand. If you don’t know Phil Town, he turned $1,000 into $1,000,000 in 5 years and he did this by simply buying great companies as the market fell.

2) EVENLY SPREAD ALLOCATION

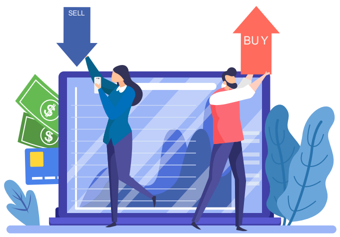
When my funds move from my bank account to my broker, I receive an email notification. From there, I log into my broker and I take the other 50% of the funds, that recently deposited, and I buy more of the same on sale stocks I already own. I evenly spread my investments over the 10 stocks.

In some cases, I’ll check the news on each stock to see if there is a merger, acquisition, new product, new enterprise customer, etc. In other words, if I see any major positive news, I will allocate heavier into that specific stock.

That’s it. That’s my strategy for weighted allocation.

13 KNOW WHEN TO BUY

Knowing when to buy a stock is now easier than ever with Tykr. If a stock is On Sale and it passes all 4 M's than it's a buying opportunity.



Keep in mind, Tykr does a lot of hard analytical work behind the scenes for you and I. It doesn't randomly pick stocks out of a hat and say they are One Sale. It runs through a complex process behind the scenes to determine if a stock is On Sale, Watch, or Overpriced. Now it's time to apply the 4 M's to determine if this is a buy.

MOS: Is the stock On Sale? If yes, that's good.
Meaning: Do you know the business, industry, and Sector? Will it be around in 10 years? If yes, that's good.
Moat: Is the business hard to duplicate? If yes, that's good.
Management: Is the business run by a good leader with a track record of success? If yes, that's good.

If the 4 M's all look positive, than you have a buying opportunity!

14 KNOW WHEN TO SELL

Knowing when to sell a stock is a little different than buying. It's still easy but you have some options:

Changes to Watch:

Option 1: Hold – If the stock changed from On Sale to Watch, I will hold the stock if the 4 M's still look good. In other words, If I still see this stock as a good company, I will continue holding it.

Option 2: Sell – If the stock changed from On Sale to Watch, I will sell if I believe the 4 M's no longer look good. For example, if there are more competitors entering the market this means the moat will be negatively impacted.

Changes to Overpriced:

Option 1: Sell – If the stock changed from On Sale to Overpriced, this is a sign the financials are declining. In this case, I will sell it.

Option 2: Set a Trailing Stop Loss – A trailing stop loss allows the stock to continue rising but as soon as the stock starts declining, it will automatically sell.

Option 3: Hold – If the stock changed from On Sale to Overpriced and if I still see this stock as a good company, I will continue holding it. You should only do this if you truly believe all 4 M's pass. If not, than I recommend selling it or setting a trailing stop loss.

15 HOW LONG SHOULD YOU BUY AND HOLD STOCKS?

You may be wondering how long you should buy and hold stocks?

Before we get into how long you should be holding stocks, I want to share a quote with you from Warren Buffett.

“There seems to be some perverse human characteristic that likes to make easy things difficult.”

The point of this quote is investing is actually a lot easier than most people think. See, from the outside looking in, investing can be perceived as difficult which has made investing unapproachable for decades. When you are given the right tool and process, (such as Tykr), investing is truly very easy.

To answer the question, when you buy an On sale stock within Tykr, you should be prepared to hold it until it changes to watch or overpriced. In other words, you may buy a stock and hold it for months if not years. If you are a pro user, and you add a stock to your watchlist, Tykr will notify you by email when a stock changes from On Sale to Watch or Overpriced.

That’s it! Let Tykr do the hard work for you.

16 HOW MUCH TIME SHOULD YOU SPEND ON INVESTING PER WEEK?

Before we get into how much time you should spend on investing per week, I want to share another quote with you from Warren Buffett.

"Lethargy bordering on sloth remains the cornerstone of our investment style."

I usually get a laugh when I mention this quote but it's very true. Most people believe that to be successful at anything you need to work hard long hours over years if not decades. This is far from the truth with most things especially investing. You don't work for money with investing. In fact, it's exactly the opposite. Money works for you. The power of compound interest is how you build wealth.

If you're someone who is used to working hard and spending extensive hours on generating income, you will need to separate yourself from that type of thinking. Seriously, I can't stress this enough, you need to separate yourself from the concept of working hard.

I know it's not easy but investing is a new discipline. You need to let your money make more money. Sit back, relax, and let the power of compound interest work for you. It's really that easy.

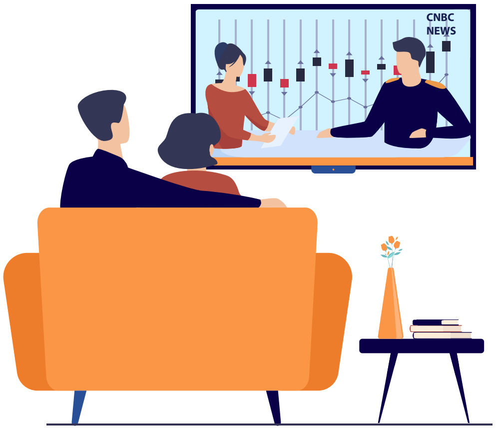
To answer the question, you only need about 15 minutes per week. Seriously, that's it. All you need to do is the following:

1. Login to Tykr
2. Find an On Sale stock you like
3. Apply the 4 M's
4. Open your broker platform
5. Buy stocks
6. Let Tykr monitor those stocks for you

If you want to browse other stocks and play with Tykr features, we certainly recommend it because Tykr will help you become more confident and effective at investing. However, at the end of the day, you truly only need 15 minutes per week to be a successful investor. As I mentioned before, Tykr does the hard work for you so you can enjoy more freedom.

17 HOW OFTEN SHOULD YOU LISTEN TO THE NEWS PER WEEK?

You may be wondering how often should you listen to the news per week?



The news can be filled with emotions and emotions are the enemy of investing. The news is more of a tool for traders not investors like you or I.

This is going to sound crazy but I only check stock market news about 5 minutes per day (Monday through Friday). I subscribe to CNBC which is free. I receive a daily email with general market news as well as a handful of individual stock news. I'll skim that email to see how the market is doing but more importantly, I'll check to see if the market is falling because I'm constantly looking for opportunities to buy more stocks.

I do not let the news influence my buying decisions. I depend on Tykr to cut through the noise and see the truth.

Overall, paying attention to the news is a good way to keep your finger on the pulse of the market but I don't let it control my behavior.

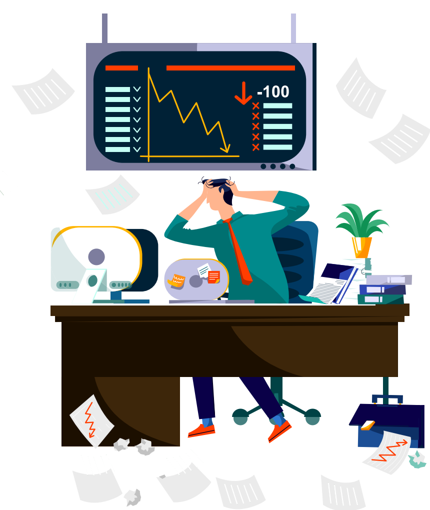
18 WHAT IF I BUY AN ON SALE STOCK AND THE STOCK FALLS?

If you buy an On Sale stock and it falls right away, RELAX! It's the stock market. Not every day will be in the green (upward trending).

On Sale stocks, like any other stock, will go up and down. That's the nature of the stock market and that's okay. The difference with On Sale stocks is they tend to go up much more than they go down.

When I buy a stock and it falls right away, I seriously couldn't care less. I know that may sound crazy but it's the truth. That's because I've seen how On Sale stocks perform.

After you buy an On Sale stock, your next step is to sit back, relax, and let the power of compound interest work for you. As I mentioned in the past, it's really that easy.



19 WHAT IF THE SHARE PRICE DROPS BELOW THE BUY PRICE?

Let's say you buy an On Sale stock and that stock quickly changes to Watch or Overpriced and the stock drops below your cost basis (buy price).

Now what? Relax. This happens and don't freak out.

If you own a stock that changed from On Sale to Watch or Overpriced and the stock is now lower than the price you bought it for, I recommend you do not sell as long as you apply the 4 M's. Here are your next steps regarding the 4 M's.

MOS: We already know the stock moved from On Sale to Watch or Overpriced. Just relax and move onto the Meaning.

Meaning: If you did your homework and understand the business, industry, and sector and you know this business will be around in 10 years, this is a good sign. Move onto the Moat.

Moat: If the business is hard to duplicate and has a strong competitive advantage such as a strong brand moat (like Microsoft) or cash moat (like Apple) this is also a good sign.

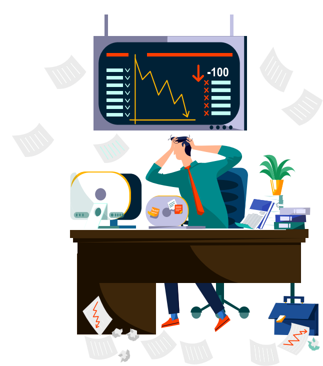
Management: If the business is run by a good leader that has a track record of growing publicly traded companies, this is another good sign.

Overall, if you see that the meaning, moat, and management checkout, then do not sell the stock. On the other hand, if you run the 4 M's analysis and the future of the business is not looking good, then it may be time to sell and take a loss.

When I first started investing, this happened with ELY (Callaway Golf) and ROL (Rollins). Both of these stocks quickly went from On Sale to Overpriced and the share price dropped below the price at which I bought them for. I ran the 4 M's analysis and made the decision to not sell and wait for those stocks to go back up. Guess what? They eventually did! It took about 6 months for ROL and 1 year for ELY but they eventually climbed higher than my buy price.

There are times we can enter a stock and the stock summary happens to change soon after. If you sell the stock at a price lower than what you bought it for, you will lose money. I refuse to lose money so I run the 4 M's analysis to determine if I should sell or hold.

Keep in mind, if a business has achieved an On Sale summary at one time, that's a good thing. That means the business as the ability to achieve it a again.



20 HOW TO QUICKLY DETERMINE WHY A STOCK FELL AND HOW TO REACT!

If you want to know WHY a stock fell, you need to ask three questions. These three questions will help you pinpoint the reason and allow you to take action.

Those three questions are...

✓ Was it the stock? ✓ Was it the sector? ✓ Was it the market?

STOCK

To determine if it's the stock, simply Google the stock and see if there is any negative news such as a legal issue, bad quarterly report, or the CEO sends a stupid tweet. You can usually find bad news on a stock within five minutes.

If I find bad news on an ON SALE stock, I typically don't react. The reason is, bad news with an ON SALE stock typically doesn't drive the stock down for long. The strong financials of the company usually OVERCOME and cause the stock to go back up. It can take days, weeks, and in some cases months but the stock typically does go back up.

Now in some cases I've seen people sell ON SALE stocks when they receive bad news but if the stock is still ON SALE, the stock can quickly turn around and climb higher than ever before and in this case, the investors lose out on the gains because they sold at the wrong time. Your best option is to not react and simply let the stock go back up.

If you don't find anything negative on the stock, that's good news! This means the sector may be falling.

SECTOR

If the sector falls, find out what happened to the sector. Similar to bad stock news, I typically don't react. The strong financials of the company usually OVERCOME and cause the stock to go back up. Plus, an entire sector typically doesn't stay down for long.

If you can't find bad news on the sector, that's more good news! This means the market is falling!

MARKET

If the market falls, this is going to sound crazy, but that's exactly what you want. That's the most exciting time for an investor. When the rest of the world is in panic mode, you should be grinning ear to ear.

When the market falls and there is nothing wrong with your STOCK or the SECTOR then you have yourself a STOCKPILING opportunity!

STOCKPILING is the #1 most powerful investment strategy. This is the strategy that turns every day investors into millionaires and millionaires into billionaires.

21 THE #1 STRATEGY THAT WILL BUILD WEALTH THROUGH INVESTING

Here we go! All previous tips lead up to this. As mentioned in the last tip, stockpiling is the #1 most powerful investment strategy. This is the strategy that turns every day investors into millionaires and millionaires into billionaires.

Am I promising that Tykr will make you a millionaire? No. But stockpiling will help you build wealth faster.

There is a saying that successful investors use "if the stock goes up, we make money but if the stock goes down, we get rich."

Buying more shares as the stock goes down, lowers your adjusted cost per share. This means, when the stock rises again, you make massive returns.

Here is how you stockpile...

1) Watch the market

I read the news for about 5 minutes every day. When I notice the market falling such as it did during the covid-19 dip in march of 2020, I get very excited. Now keep in mind, we cannot time the very bottom. No software platform or human can predict the bottom so what you do is "Buy into the dip."

2) With On Sale stocks, I try to buy every 10% down

As my On Sale stocks fall every 10%, I buy more. In an earlier tip I talked about keeping 50% of your funds in cash. Well, that 50% is reserved for times like this. You use that 50% to stockpile.

Here are detailed instructions on how to buy into the dip.

3) With Watch stocks, I hold.

As my watch stocks go down, I hold and wait for the stock to go back up. I do not buy more unless I did thorough homework on the 4 m's. If the 4 m's check out as a great investment, than I buy more.

4) With Overpriced stocks I sell, set a trailing stop loss, hold, or buy more

If I'm not sure the stock will go back up again, I will either sell or setup a trailing stop loss as long as the share price is higher than my cost basis (buy price). That way I don't lose money. However, if the Overpriced stock falls below my cost basis, I will follow the lesson "What if the share price drops below my buy price?"

If I did thorough homework on the 4 m's I may hold the stock and let it go back up.

If I did through homework on the 4 m's and I'm highly certain the stock will be around in 10 years, has a wide moat, and is run by great leaders, than I buy more.

5) Watch your portfolio go up!

Market pull backs are always shorter than you think. Here are a few examples...

The recession in 2008 only lasted 1 year. The s&p 500 went down 38% in 2008 but it went up 23% in 2009. Although it wasn't back to its all-time high, if you would have owned On Sale stocks that year, you could have made some massive returns!

The market pull back in march of 2020 due to covid-19 lasted a few months. The s&p 500 went down 30% in march of 2020 and by June of 2020, it already achieved a record high.

Pull backs in the market don't happen often. You should be prepared with cash on hand to buy on sale stocks as they drop. Taking advantage of opportunities like this can pay off big time!

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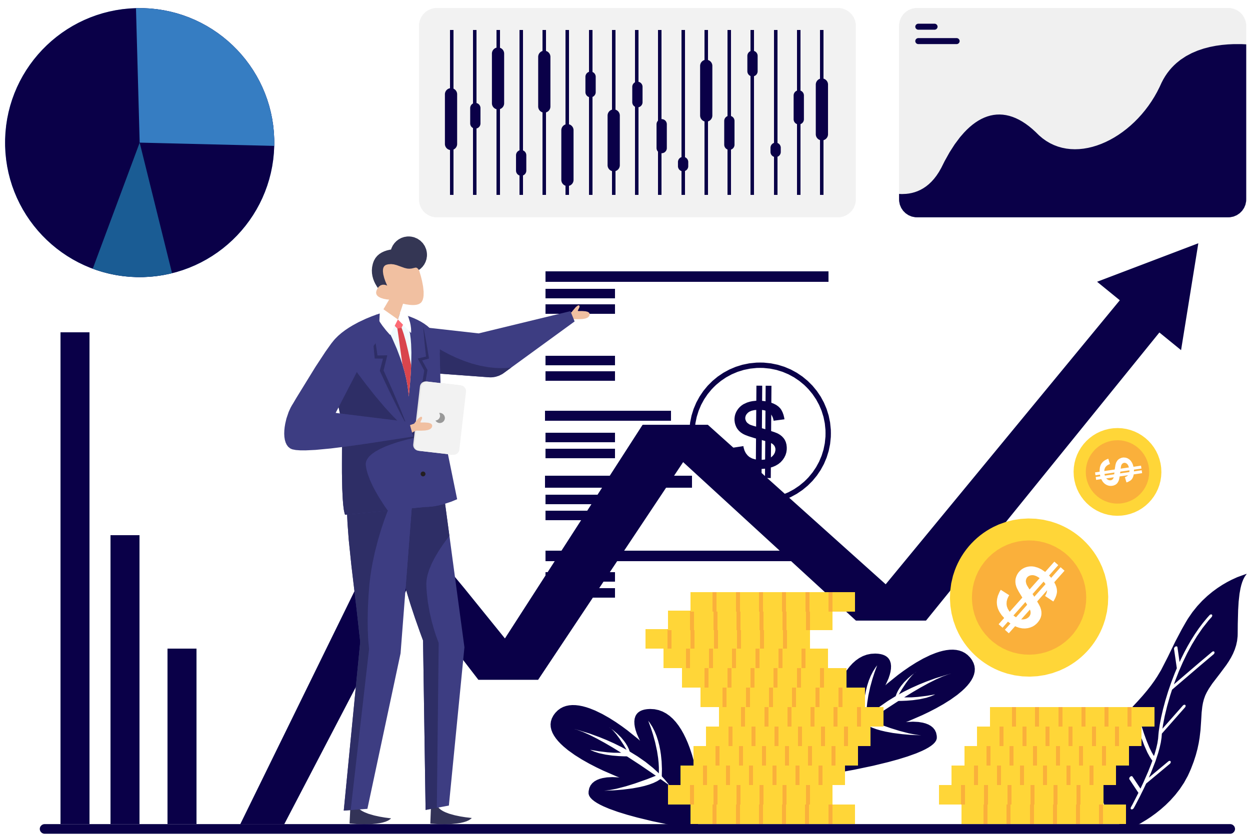
And that concludes your training! These 21 tips have given you the information to manage your own investments, reduce risk, invest confidently.

As you can see, investing isn't complicated when you have the right tool (Tykr).

If you have questions or want guidance with your own investments, we're here to help.

Thank you for joining Tykr and we look forward to helping you achieve your investment goals.

And that concludes your training! These 21 tips have given you the information to manage your own investments, reduce risk, save money, and invest confidently.



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