Putting Your Money to Work

A simple, hypothetical walk-through of getting invested in the system

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Welcome. If you are new to the system, getting invested is simpler than it looks. The whole idea is to spread your money evenly across the eleven stock market sectors, hold the sectors we are invested in, and keep the rest in cash until their turn comes. Here is how it works, start to finish. Everything below is a hypothetical example for illustration, not individualized advice.

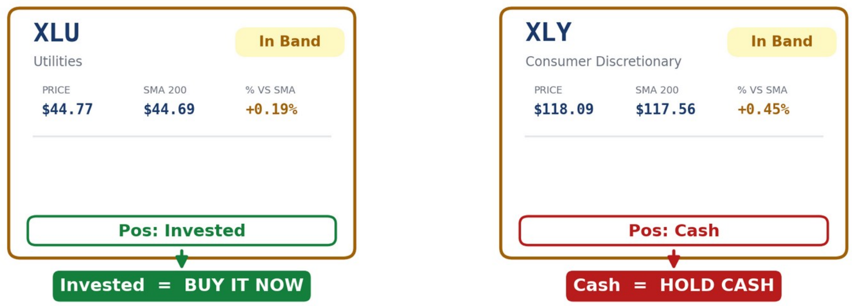
The steps

1. **Decide how much to put to work.** Say you have a $1,000,000 portfolio and you want to give this system a 20 percent allocation. That is $200,000 going into the system, and the rest of your portfolio stays wherever it already lives.
2. **Split it evenly across the eleven sectors.** Take that $200,000 and divide it by 11. That comes to about $18,182 for each sector. Think of it as eleven equal slices of the same pie.
3. **Read the Pos line on each sector card.** Open the sector cards on the site and look at the Pos line on each of the eleven cards. It reads either Invested (we own that sector) or Cash (we are out of it). That one line is what you copy.
4. **For each sector that reads Pos: Invested, get invested.** Take that sector's slice of about $18,182, divide by the current share price, and round down to a whole number of shares. That is how many shares you buy of the sector's exchange traded fund, or ETF (for example XLK for Technology, XLF for Financials, and so on).
5. **For each sector that reads Pos: Cash, park the slice in cash.** You do not buy that sector's ETF. Instead you hold its slice in a money market fund, in Treasury bills, or in the SGOV ETF, ready to deploy when that sector's Pos line flips to Invested.

Read the position, not the color

Here is the one trap to avoid. Every card also carries a color badge, green for Invested, red for Cash, and yellow for In Band, which just means the price is sitting inside the 1 percent band around its 200-day average. That badge tells you the price zone, not our position. On a yellow In Band card we might be holding the sector long or we might be sitting in cash, and the card looks the same either way. The only thing that tells you what we actually hold is the Pos line, so that is what you act on. In the example below, XLU and XLY show the very same yellow In Band badge, yet XLU reads Pos: Invested, so you buy it, while XLY reads Pos: Cash, so you hold cash. Copy the Pos line and you will always match us. Follow the color and, sooner or later, you will not.

Two yellow cards, opposite actions. Read the Pos line, not the color.



Same yellow badge. The Pos line is what tells you to buy or stay in cash.

Why the cash amount looks different. Each slice is the same size, about $18,182. But the total cash is not one slice, it is one slice for every sector that reads Pos: Cash that day. If two of the eleven sectors read Cash, your cash holding is two slices, about $36,364. If a third drops to cash later, it becomes three slices, and so on. That is why the money going into SGOV or the money market is usually a larger, round-number multiple of a single sector slice, not the same $18,182 you put into each ETF.

Exactly what to enter, with a worked example

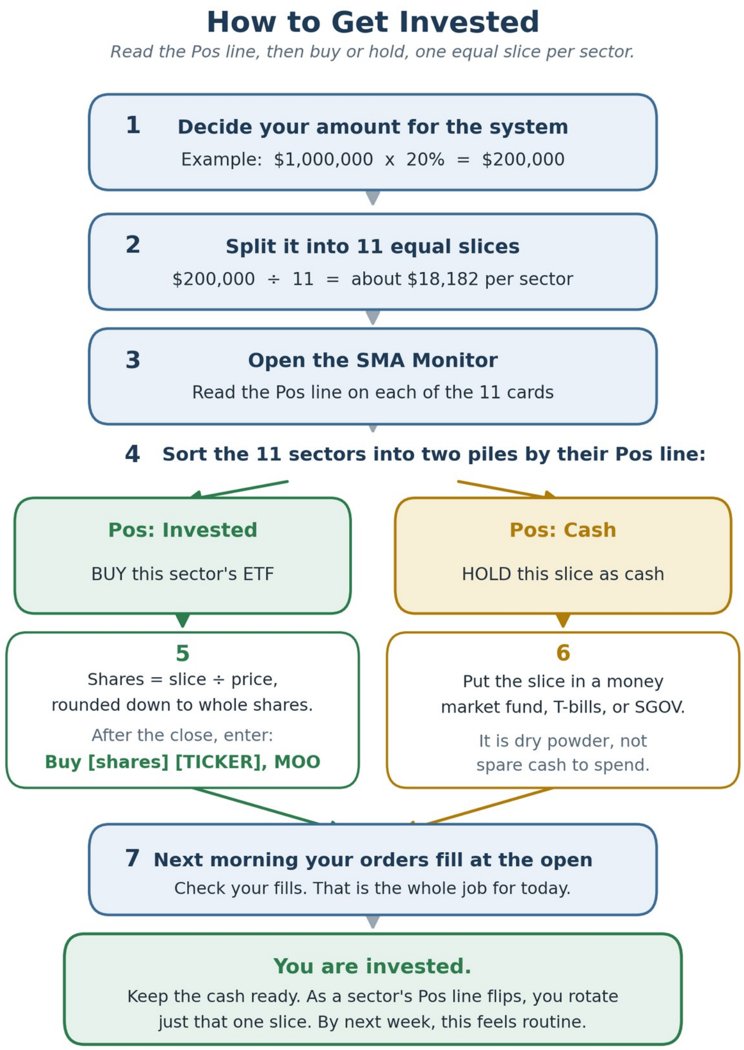
Suppose you check the cards after today's close and nine sectors read Pos: Invested while two read Pos: Cash. The numbers below are a recent snapshot, shown only to make the example concrete, not a recommendation. Here is the full ticket you would enter:

Sector	Ticker	Pos	Example price	Slice	Order to enter
Materials	**XLB**	**Invested**	$51.02	$18,182	Buy 356 XLB, Market-On-Open
Communication Svcs.	**XLC**	**Cash**	n/a	$18,182	No stock order. Move $18,182 to SGOV / money market
Energy	**XLE**	**Invested**	$52.81	$18,182	Buy 344 XLE, Market-On-Open
Financials	**XLF**	**Invested**	$54.78	$18,182	Buy 331 XLF, Market-On-Open
Industrials	**XLI**	**Invested**	$183.36	$18,182	Buy 99 XLI, Market-On-Open
Technology	**XLK**	**Invested**	$185.62	$18,182	Buy 97 XLK, Market-On-Open
Consumer Staples	**XLP**	**Invested**	$83.30	$18,182	Buy 218 XLP, Market-On-Open
Real Estate	**XLRE**	**Invested**	$44.18	$18,182	Buy 411 XLRE, Market-On-Open
Utilities	**XLU**	**Invested**	$44.77	$18,182	Buy 406 XLU, Market-On-Open
Health Care	**XLV**	**Invested**	$159.54	$18,182	Buy 113 XLV, Market-On-Open
Consumer Discretionary	**XLY**	**Cash**	n/a	$18,182	No stock order. Move $18,182 to SGOV / money market

How to place a buy. After the market closes, open a fresh order ticket for each buy-signal ETF. Set the action to Buy, type the ticker, type the number of shares, and choose the order type Market-On-Open (your broker may label it MOO, or Market with the timing set to On Open). Leave it good for the day. The order rests overnight and fills at the next morning's opening price, so your whole basket goes in together at one clean starting point.

In this example, about $163,600 goes into the nine ETFs and about $36,364 sits in SGOV or a money market fund. Together that is your full $200,000 allocation, fully accounted for.

The whole flow on one page



A few things not to forget

Do it all on one close. Read the cards and enter every order against the same signal date, so your whole portfolio is lined up to one starting point rather than drifting in piece by piece.

Whole shares only. You will rarely spend a slice down to the penny. Round down to a whole number of shares and let the small leftover sit in cash. No fractional shares.

Confirm your fills. The next morning, check that each Market-On-Open order actually filled and that the number of shares looks right.

Treat the cash as dry powder. The money sitting in SGOV or the money market is not spare cash to spend. It is waiting for its sector to turn back to a buy, so keep it parked and ready.

This is just getting started. Onboarding puts your money to work today. From here on, you simply watch the cards, and when a sector flips its signal you rotate that one slice between its ETF and cash. Nothing else needs to move.

This note is a hypothetical illustration meant to explain how the system works. The dollar amounts, prices, and signals shown are examples only, not a recommendation to buy or sell any security and not individualized investment advice. Your own numbers, allocation, and situation are yours to decide.

John