

# The Profit Button



The 4 Simple Steps Successful  
Traders Know That YOU DON'T

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# Introduction

Dear Trader,

Welcome to the **“The Profit Button: The 4 Simple Steps Successful Traders Know That YOU DON’T”**.

Before you continue, I urge you to print out this report. I’ve found that it’s much easier to read and re-read these digital reports when they’re printed out... and you don’t want to miss a word of what I’m about to reveal?

Why?

Because the information contained in this report is **profound**. And I’m not just saying that because I wrote it. Seriously, I wish I had had the information in this report when I was a beginner at trading. It would have saved me years and years of study and mistakes. I’m excited for you that you’re reading this now.



Bill Poulos, 30+ year trader

Are your ready to begin? Let’s get started...

## Are There Really 4 Simple Steps?

Most people are not successful when it comes to investing and trading their portfolio. At best, they’re gambling and hoping for that “big win” that will set them up for life.

Sure, that can happen, but you may as well go and buy a lottery ticket. Seriously.

But where most people fail at investing and trading, there *are* select groups of individuals who have figured it out. They discovered long ago that you don’t need to win every trade. They found out the hard way that it’s ludicrous to bet your entire portfolio on a few “blue chip” stocks. They realized that you could, indeed, maximize your chances of success in the markets and put the odds in your favor, much like a casino has an eternal edge over its hapless and hopeful customers.

I’ve been trading the markets since 1974, and over the past three decades I’ve made just about every mistake you can make in the markets. I paid my dues and learned through experience – the hard way. And what I discovered was that most

successful traders followed a very specific set of rules when it came to trading or investing their portfolios.

These rules gave them a “Winning Edge” that they could use over and over again to tilt the odds in their favor. And after much trial and error, I discovered how to apply this winning edge to my trading, too.

Specifically, I found that there are 4 steps, or components, to a winning edge. And when they’re used together, synergistically, it’s almost like having a big red “Profit Button” that you can press again and again, for the rest of your life; hence the name of this report.

Now, you might think the idea of a big red Profit Button is a bit far-fetched, and you’re right. However, applying the 4 steps you’ll discover in this report to your trading is about as close as you’ll ever come to that mythical button, in my experience.

Oh, and by the way... these 4 steps don’t just apply to trading the markets. They can apply to any type of investment – real estate, businesses, even fine art. They’re universal by nature.

So first, I’ll dive in to how most people attempt to “invest” their money, and why it’s a loser’s game. Then, I’ll reveal the 4 steps to creating a Winning Edge with your trading that can help you build your very own Profit Button.

## Why Do You Invest Money?

Why do you invest money? This may seem like an obvious question, but it’s very important to understand your motivation for investing money in order to be successful.

For some people, it’s the thrill of the game, but for most, it’s to grow your portfolio value and **eventually provide you passive income**. What to do with this passive income is where most people differ. Some people are motivated to increase their portfolio values in order to acquire things, like a second home or a new boat; others might want to pay for a college education; and still others might want to grow passive income to the point where it covers all living expenses, which can lead to financial freedom and early retirement.

Whatever your motivation is for investing money, it’s important to set clear, definable goals supported by a written plan of action with status updates on a regular basis. Having clearly focused goals and plans is a pre-requisite to choosing the investment vehicles that are appropriate for you. Once your plan is

in place, you can follow it through to achieve success.

## Investment Choices

There are many different investment vehicles to choose from. The key to making the right choice is to select an investment vehicle along with an investment methodology that has the potential to deliver the financial returns necessary to meet your goals.

For example, if your goal requires a 20% per year rate of return, buying high grade bonds yielding 6% per year would not be appropriate. On the other hand, if low risk is more important to achieving your goal than high returns, high grade bonds may be just the thing for you.

Real estate has proven to be an excellent long term investment capable of producing passive income along the way. Through rental properties, rehabbing, and land development, there are a variety of ways to invest in real estate, but these are only good choices if they align with your investment goals. And of course, there are down cycles as well, making real estate investing from being risk-free.

Then there are stocks: small caps, mid caps, large caps, techs, etc. With stocks, you can tailor your investment strategy to align with your goals – a diversified portfolio of high to low risk stocks, a short-term oriented stock trading portfolio, or a buy and hold long-term mutual fund portfolio just to name a few.

There are probably as many strategies to investing and trading the stock market as there are stocks to invest in. Whether your investment choices include bonds, real estate, or stocks, in order to be successful in the long run you must have a Winning Edge that you can leverage over and over again.

In this report, you'll learn in detail what it means to have a Winning Edge, including a comprehensive definition, the implications of returns versus risk, and its key components. The discussion will focus on the Winning Edge as it applies to stock trading, and hopefully will assist you in determining if you currently have a Winning Edge in your own personal stock trading strategy.

# The Winning Edge

## Definition

An investor that is able to follow an investment methodology that has the potential to produce net profits or positive returns over time can be said to have a Winning Edge. For example, a stock investor that has a Winning Edge can expect to achieve more winners than losers, or average winning trades that are higher than average losing trades, or both. In other words, the odds are in your favor, so the more trades that are made, the probability of being a net winner increases dramatically. Casinos use the concept of a Winning Edge to great effect – they know that while they will suffer losses on occasion, they will be net winners because they have a Winning Edge. As thousands of bets are placed, the probability of a casino being a net winner becomes a near certainty. That, of course, is why they are so happy to see you come to their establishment.

## Impact on Portfolio Value

Let's look at the impact of a Winning Edge on portfolio value. Figure 1a shows an ideal graph of portfolio value increasing steadily over time through the consistent application of a Winning Edge. Figure 1b shows the same thing, except it reflects the reality that even with a Winning Edge, portfolio value does not go straight up – there are occasional drawdowns. Figure 1c is a variant of 1b. Instead of several small drawdowns, Figure 1c depicts one significant long-lasting drawdown followed by the portfolio value recovering to new highs. While the portfolio values fluctuated differently, all three charts show net positive gains that you would expect through the consistent application of a Winning Edge.

