

April 27, 2020 Status Report

# AAII DELAWARE SIG PORTFOLIO

# Summary Status of Portfolio

## ◎ March Activity

- Medical Properties Trust (MPW) issued \$0.27 dividend and was sold on breach of stop-loss on 3/12. Gain of 1.6%
- AT&T (T) breached our hold-our-profits sell-stop on 2/27. Gain of 4.3%
- L3-Harris (LHX) breached sell-stop on 3/12. Loss of 13.1%

## ◎ April Activity

- No activity reported in this month

# Portfolio Summary

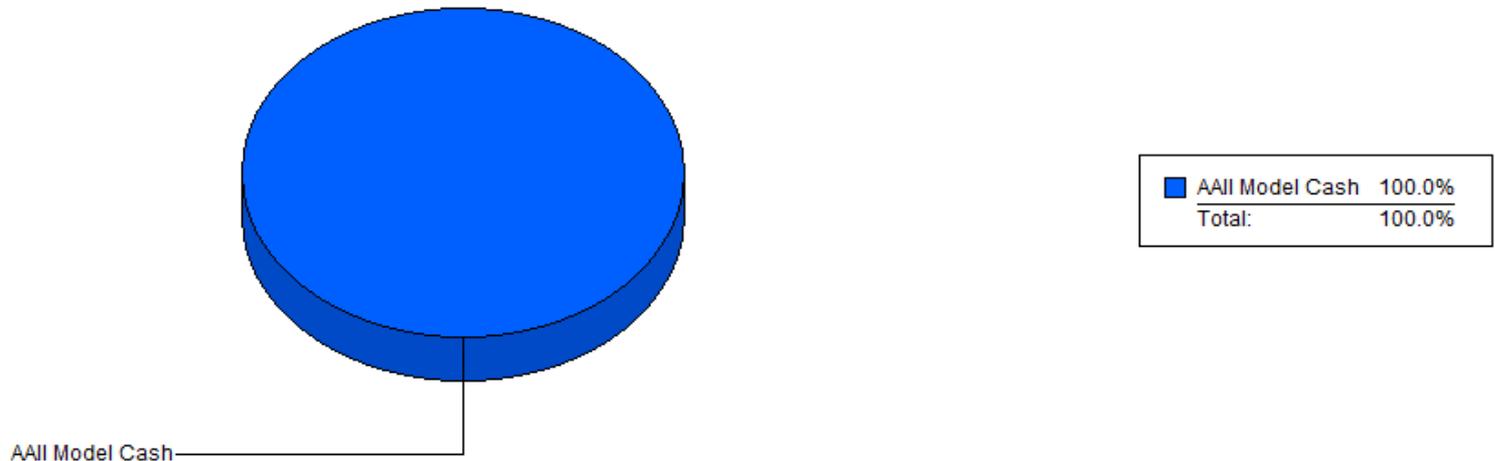
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## Portfolio Holdings AAII Delaware SIG Holdings as of 04/27/2020

04/27/20

Type/Security	Quantity	Unit Cost	Total Cost	Market Price	Market Value	% of Port.	Unrealized Gain/Loss	% G/L	Estimated Income	Est. Yield	P/E
AAII Model Cash	94,358.20000		94,358.20		94,358.20	100.00	0.00	0.0	0.00	0.0	
<b>Totals:</b>			<u>94,358.20</u>		<u>94,358.20</u>		<u>0.00</u>	<u>0.0</u>	<u>0.00</u>	<u>0.0</u>	<u>0.0</u>

## Percent of Portfolio



# Portfolio Performance

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## Performance Report

04/27/20

AAll Delaware SIG  
IRR Period - As of 04/27/2020  
Provided by Thomas Lapp

Type/Security	Beginning Activity Date	Ending Activity Date	Unrealized Gain/Loss	Realized Gain/Loss	Ending Market Value	Income Received	IRR For Period	Annualized IRR
<b>Money Market Funds</b>								
AAll Model Cash	01/31/18		0.00	0.00	94,358.20	0.00		
<b>Subtotal for Money Market Funds</b>			0.00	0.00	94,358.20	0.00		
<b>Common Stocks</b>								
Abbott Laboratories	11/27/19	02/28/20	0.00	-222.72	0.00	20.88	-4.06	-14.85
Alaska Air Group Inc.	05/01/19	12/04/19	0.00	386.40	0.00	84.00	9.56	16.52
Analog Devices Inc.	10/30/19	03/19/20	0.00	-1,263.15	0.00	74.70	-24.07	-50.72
AT&T Inc.	06/25/19	02/27/20	0.00	214.20	0.00	156.06	7.60	11.39
Edwards Lifesciences Corp	11/27/19	01/28/20	0.00	-343.20	0.00	0.00	-6.96	-34.17
Five Below Inc.	02/28/19	03/07/19	0.00	-207.46	0.00	0.00	-4.21	-85.96
Fox Factory Holding Corp.	05/02/19	05/20/19	0.00	-568.96	0.00	0.00	-11.45	-90.34
FS Bancorp Inc.	07/24/18	10/12/18	0.00	-861.60	0.00	0.00	-17.21	-57.30
Inogen Inc	07/24/18	10/09/18	0.00	-33.84	0.00	0.00	-1.34	-6.12
Kellogg Company	09/26/19	10/02/19	0.00	-136.29	0.00	0.00	-2.73	-76.44
L3Harris Technologies Inc.	07/30/19	03/12/20	0.00	-633.36	0.00	56.40	-12.02	-18.61
Malibu Boats	04/26/18	07/20/18	0.00	1,099.50	0.00	0.00	34.06	246.96
Medical Properties Trust I	05/01/19	03/13/20	0.00	79.52	0.00	221.52	6.17	7.12
Medtronic plc.	10/30/19	02/27/20	0.00	-394.68	0.00	24.84	-7.50	-20.95
MGE Energy Inc.	08/28/19	03/12/20	0.00	-849.42	0.00	69.90	-15.87	-27.28
Microsoft Corporation	09/26/19	03/13/20	0.00	282.10	0.00	35.70	6.53	14.55
Oshkosh Corporation (Hol	07/30/19	08/13/19	0.00	-788.24	0.00	0.00	-15.87	-98.51
Paycom Software	04/26/18	05/31/18	0.00	-144.00	0.00	0.00	-6.42	-48.96
Paysign Inc.	06/25/19	11/21/19	0.00	-1,321.60	0.00	0.00	-26.45	-52.64
Sketchers	04/26/18	07/21/18	0.00	-89.00	0.00	0.00	-6.12	-23.27
Trex Company Inc.	08/30/18	10/02/18	0.00	-590.00	0.00	0.00	-11.88	-74.29
<b>Subtotal for Common Stocks</b>			0.00	-6,385.80	0.00	744.00		
<b>Total for Portfolio(s)</b>			0.00	-6,385.80	94,358.20	744.00	-5.64	-2.56

# Expectancy of Our Method

Expectancy is used to determine whether a trading methodology is going to be successful or not. If Expectancy is positive it means your portfolio will grow over time. If Expectancy is negative, your portfolio will lose value over time.

## Simple example:

- On average, your winning trades gain 20%, and your losing trades are stopped out at 10% loss. Further, assume 1 of every 4 trades gets stopped out. Using \$2,000 as the trade amount each time. Let's calculate Expectancy:

$$\text{Exp} = (\% \text{chance of winning} * \text{average win amount}) - (\% \text{ chance of losing} * \text{average lose amount})$$

$$\text{Exp} = (.75 * \$400) - (.25 * \$200) = \$250$$
 which means on average your trading method will make money (averaging \$250 per trade over a long period of time)

# Expectancy of Our Method

Now let's look at our portfolio. Over the past 2 years, we've had 5 winners and 16 losers for a total of 21 trades.

Our average winner made \$412

Our average loser lost \$509

$$\text{Exp} = (\% \text{chance of winning} * \text{average win amount}) - (\% \text{chance of losing} * \text{average loss amount})$$

Plugging in for our experience:

$$\begin{aligned} \text{Exp} &= (5/21 * \$414) - (16/21 * \$509) \\ &= (0.238 * \$414) - (0.762 * \$509) = (\$265) \end{aligned}$$

This means our methodology will lose money based on the past two years of experience.

# Expectancy of 50 DMA Method

Sometimes all that is needed is a tweak of a methodology.

Rather than using our methodology for picking our stop-out point, if we just used one that stopped us out after two weeks under the 50 day moving average. In other words, if the stock price drops below the 50 day and stays there for 10 days, we sell. That's a quick-and-dirty trailing stop method.

Redoing from our buy week (I was using weekly charts to get my numbers, so didn't try to buy on our exact by date) we ended up with this:

# Expectancy of 50 DMA Method

STOCK	BUY	SELL	CHANGE	\$\$ (on \$5,000 amt)
ABT	85.25	81.74	\$ (3.51)	(\$205.87)
ALK	60.55	60.68	\$ 0.13	\$10.73
ADI	109.37	112.27	\$ 2.90	\$132.58
T	33.51	37.38	\$ 3.87	\$577.44
EW	244.94	236.39	\$ (8.55)	(\$174.53)
FIVE	123.71	123.86	\$ 0.15	\$6.06
FOXF	77.52	67.93	\$ (9.59)	(\$618.55)
FSBW	49.15	49.13	\$ (0.02)	(\$2.03)
INGN	58.75	42.18	\$ (16.57)	(\$1,410.21)
K	62.83	61.94	\$ (0.89)	(\$70.83)
LHX	204.42	208.94	\$ 4.52	\$110.56
MBUU	34.21	38.58	\$ 4.37	\$638.70
MPW	18.1	17.82	\$ (0.28)	(\$77.35)
MDT	108.57	100.67	\$ (7.90)	(\$363.82)
MGEE	75.85	74.89	\$ (0.96)	(\$63.28)
MSFT	138.12	161.57	\$ 23.45	\$848.90
OSK	76.29	69.45	\$ (6.84)	(\$448.29)
PAYC	107.29	103.52	\$ (3.77)	(\$175.69)
PAYS	14.45	16.96	\$ 2.51	\$868.51
SKX	28.67	28.02	\$ (0.65)	(\$113.36)
TREX	84.7	70.9	\$ (13.80)	(\$814.64)

# Expectancy of 50 DMAMethod

Running the Expectancy on that method gives

8 winners, 13 losers

Average loss \$349.11

Average Win \$399.19

$$\text{Exp} = (8/21 * 399.19) - (13/21 * 349.11) = (64.04)$$

So this still loses money during this time (which included drops at the end of 2018, March and May of 2019 and the recent drop in 2020). But the losses aren't as great.