

## Welcome to SAM QuickStart!

Once again, congratulations on joining the *TrulyRichClub*.

I'm really excited for you.

Below is Mike Vinas' step-by-step instructions on how to use our *Strategic Averaging Method* (SAM). It's the best investment program in the world. (Okay, I'm biased.)

But you don't have to believe me.

Just ask the "older" *TrulyRichClub* members who are now seeing their stock market investments grow year after year after year.

Just remain faithful to this very simple investment program, and like the other members, you'll find yourself a multimillionaire in 10 to 20 years from now.

Enjoy the journey.

Happy investing!



May your dreams come true,

A handwritten signature in black ink that reads "Bo Sanchez".

Bo Sanchez

### Have a Plan for Profit

By Mike Viñas

Senior Editor, *Stocks Update* eReport

Every success starts out with careful planning. A rock band holds rehearsals before their gig. A company conducts annual strategic planning sessions to set out projects and improvements for the next year. An engineer works on a blue print before buildings are built. We always need a plan. Even in the stock market.

Making money in the stock market requires a strategy, a well laid-out plan that we need to stick to no matter what.

We have to have a plan for profit.

Without a plan we become driven by emotions, and in the stock market emotions won't make us any

money. Emotions will cause us to buy when we should not buy and sell when we should not sell. In addition, emotions lead us to buy the wrong stocks – penny stocks.

We are ship captains without destination. Our ship just goes where the wind takes us and we just go with it, even if it leads us to choppy waters, pirates, or inside a whale's stomach.

I remember talking to an investor who bought a penny stock. She asked me, "What do I do now with this stock, now that it's going down?" I asked her first, "Ma'am, why did you buy the stock in the first place?" She looked embarrassed, "I don't know. I just saw it going up, so I bought."

She didn't have a plan at all. She simply went with what she was feeling without even considering the company she's buying.

So I said, "Ma'am, you should be buying good companies. You can choose to hold on to it and wait until maybe one day the price goes up, or you can sell, take the loss and buy good companies with the money you have left." Eventually, she'll make up what she lost, investing in good companies.

If we have a plan, we can avoid such costly mistakes.

With a set plan we're guided by an effective system and not emotion.

With a plan, we set out knowing where to go, how to get there, and what to avoid.

Our journey to our destination becomes smooth sailing.

There's an old saying that goes, "If you don't know where you're going, any road will take you there." But for us, we know where we're going. We're going to be millionaires! So here's the treasure map to getting there:

### **SAM's House Rules**

Some of you have already been following this for a while now. So for some, this is a friendly reminder, but to our new TrulyRichClub members, it's a house warming gift.

SAM is short for Strategic Averaging Method – this is the passive long-term investment strategy we follow to make millions in the stock market. Especially in periods like today, where we've been seeing the stock market moving sideways, this is the easiest way to make money in such a market scenario.

Here's how it goes:

#### **1. Invest small and slowly.**

Invest comfortable amounts. Don't invest big chunks of money all at one go.

Invest small amounts regularly to get good opportunities to buy at low prices when stock prices are down. In other words, invest small amounts to get good average prices overtime. This concept is known as cost averaging.

Like what Bro. Bo suggested before, if your money is smaller than P300,000, divide your money into six parts, and invest each part for the next six months. On the other hand, if your money is more than P300,000, divide it by more than six parts. Perhaps by 12 parts and invest each part regularly.

#### **2. Buy at Buy Below prices.**

For each SAM stock we recommend, we have what we call a Buy Below Price. This tells us when to buy that stock. As long as the price of that stock remains lower than our Buy Below Price, we continue to buy regularly (every month, every quarter, or every week).

You can check the Buy Below Prices of our SAM stocks in our next Stocks Update eReport that will be sent to you.

For example, one of our SAM stocks is Ayala Land Inc. (ALI) and its Buy Below Price is P16.73, while its current market price is P15.90 (As of November 9, 2011). This means that as this is the price we can buy shares of ALI. (This is a fictional example as ALI is not in the list of SAM stocks anymore, thought in the future it might again be again.)



### 3. Stop buying when prices go beyond our Buy Below price

When the price of a SAM stock goes higher than our Buy Below Price that means we should stop buying. However, if the prices of our SAM stocks go back lower than our Buy Below Price this gives us a signal to start buying again.

We want to be buying at Buy Below prices because we want to buy at attractive prices or valuations. On the other hand, we stop buying when prices go beyond our Buy Below Price to avoid buying at high priced valuations.

Going back to our example earlier of ALI with its Buy Below Price at P16.73, if at one point the price of the stock goes up to P16.76, this would signal for us to stop buying such shares for it has crossed beyond our Buy Below Price.

However, if ALI's price goes back to P15.80, then this means it is once again below our Buy Below Price. This means, we can again buy shares of ALI at that price.

### 4. Wait for the Target Price. Sell when the Target Price is hit.

The Target Price is a projected future price of a stock that we believe the stock will go to or go close to given the performance of the company. This price is used by brokers to estimate the potential growth of a company considering a 1-year point of view.

So after accumulating shares at Buy Below prices, all we have to do now is wait.

Like tea that we steep, or wine that we store over time, we wait patiently and let time coupled with the company's consistent good performance drive up the price to our Target Price.

As soon as the market price of our SAM stock hits or gets close to our Target Price, we sell. This means that we're selling our shares and we're locking in our profit.

By this time, we've already made money!

We're one step closer to becoming millionaires!

Now using the same example of ALI with its Target Price of P19.75, if the current market price goes up to P19.75 or close to that price, then this would raise our sell flag signifying that we should already sell.

### 5. Reinvest to other SAM stocks.

Use the money you made from selling a SAM stock at our Target Price and reinvest it, buying shares of our other SAM stocks that are still priced below our Buy Below Price.

By doing this, you're compounding your previous profit with the potential profit you'll be making with this new SAM investment. It's like rolling-over a time deposit in the bank.

I'll talk about the concept of compounding on our next issue.

This is another key to making our millions in the Stock Market.

### Stick to SAM's System

This is our treasure map to the millions in store for us. We just need to follow it, follow it to the dot. Follow the system and you'll make money.

It's that simple.

The only thing challenging about it is the discipline it requires. So choose to be disciplined and stick to the system, stick to SAM's system no matter what, even in times of crisis.

One day your discipline will be rewarded.

Look forward to that day!

