The Fleury OPPW TQQQ Strategy:

— INVESTMENT BOREDOM —

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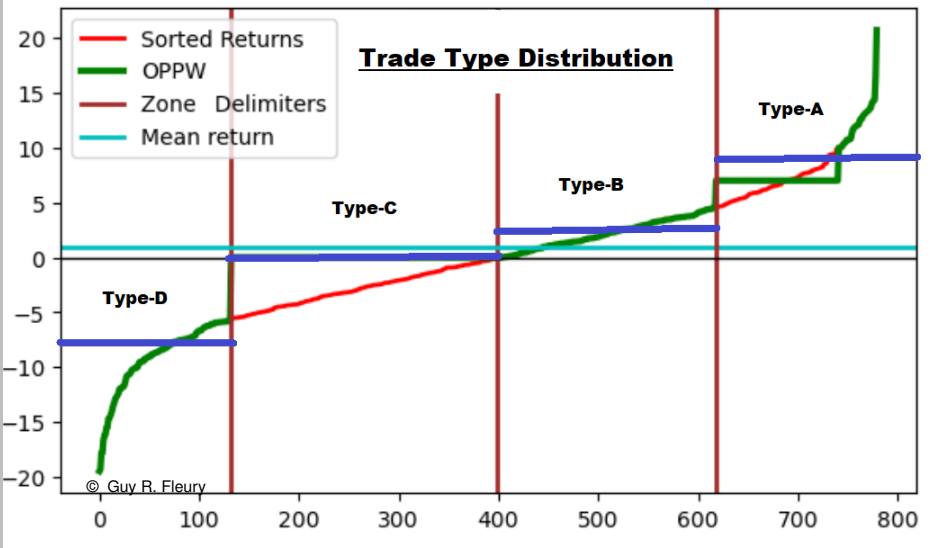

Figure 1: **The Fleury OPPW TQQQ Strategy** – Trade Type Distribution.

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There is no doubt you will need a retirement income for when you leave the workplace.

You might rely on your accumulated assets, your employer's retirement plan, or a government pension plan. But it might not be enough. This is a case where having more is better than just having enough.

If you're not prepared, you might end up with a lower income stream than expected, or one that doesn't last long enough. Perhaps barely sufficient to support you for possibly another 35+ years.[1] Furthermore, inflation, withdrawals, and low overall returns could significantly damage your long-term expectations.

Take the time to look at the long-term picture and its possibilities.

It is a case where, if you don't do it, meaning building that retirement fund yourself on top of what you would already have, you might not have that much to rely on or miss out on what could have been a more fruitful and enjoyable retirement.

Financial freedom is a thing, and it has a price.

It is like in everything else: you have to determine what you will need, then find ways to achieve those long-term objectives.

Your plan doesn't need to be precise; a realistic ballpark estimate will do, but it needs to be there. Otherwise, you will be hoping something happens instead of knowing it will be there when the time comes.

It is not a prediction; it's an estimate of what might happen should you follow your investment plan in stocks, real estate, or whatever else that can appreciate over time.

You need your assets to grow at a reasonable and attainable rate, and it has to be more than inflation. Moreover, those assets will have to provide an income stream of size for you to fully benefit from the efforts you put in to manage those assets.

If you don't do it, you don't get the financial rewards. So, might as well look at what you could do. The future is full of promises and potential.

[1] Children born today have a 50% chance of reaching 100 years old.

· · · BASIC INVESTMENT MATH · · ·

The retirement fund objectives are simple, and the future value equation can represent them:

$$F(t) = f_0 \cdot (1 + \bar{g})^t \tag{1}$$

with f_0 the initial invested capital, and $\bar{g}$ the average growth rate over period t.

You can make as many investments as you can afford over any time interval of choice, at whatever rate you can achieve. Your primary interest will be in the sum of all those investments by retirement date (age 65), summarized by the average return over period t on your initial stake.

We might have the formula, but nothing reveals the nature of f_0, the invested capital. Any appreciating asset could satisfy equation (1), including repetitive and occasional investments.

The use of the average growth rate can be justified with the following:

$$F(t) = f_0 \cdot (1 \pm r_i)^t = f_0 \cdot \prod_1^N (1 \pm r_i) = f_0 \cdot \prod_1^N (1 + \bar{g}) = f_0 \cdot (1 + \bar{g})^N \tag{2}$$

Or, by the use of the average of all those rates:

$$\frac{\sum_1^N \pm r_i}{N} = \bar{g}$$

You will get $\bar{g}$ after the fact, after having reached N or t. Over past data, the answer to $\bar{g}$ is simple; you will have all the data on hand to calculate the outcome.

As for future estimates, those parameters are just that: parameters. There is no certainty other than t, the time spent at the task, and f_0, the initial capital, which you also know from the start.

The above equations can be used to evaluate past results and gain information that could help you almost replicate that past using the same investment methods.

As for future outcomes, they will be assumptions on your part about what might happen, and with no guarantee they will.

You could use past investment data to determine which asset classes to favor most in the future and simulate worthwhile trading strategies that could at least have worked in the past.

You could have picked any of the asset classes listed in Figure (2) or any combination over the illustrated 100 years. [2] Overall, those numbers were not that impressive. The

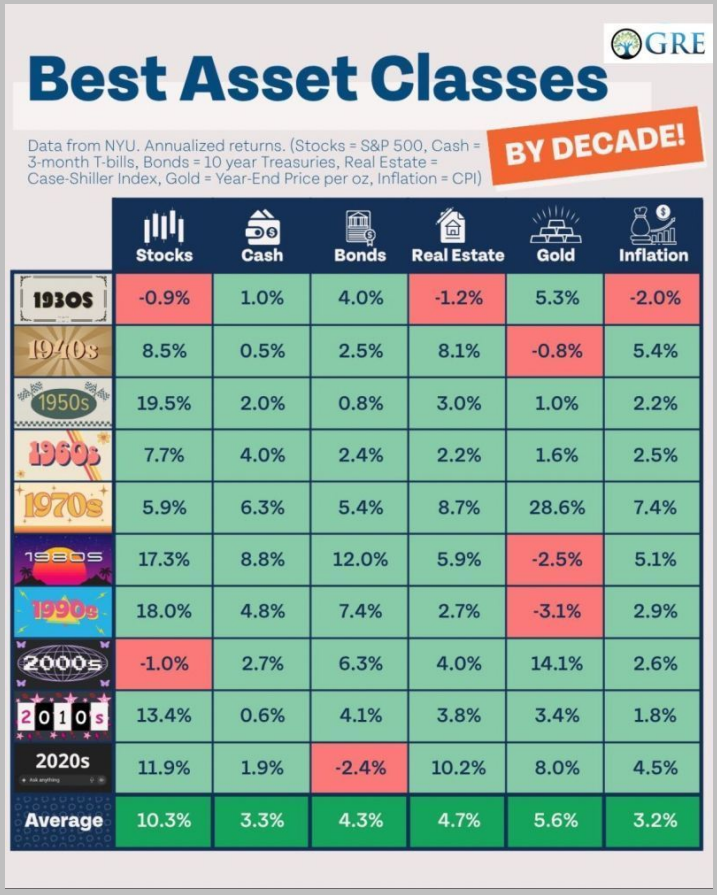
[2] I don't remember the source of that chart; still thanks to whoever provided it.

last column gives the average inflation rate by decade over those 100 years.

Nonetheless, the best asset class should be the one with the highest average return, in this case: stocks. Stocks and gold had the two highest returns.

$$\begin{aligned} \text{Stocks}: \quad & F(t) = \$100,000 \cdot (1+0.103)^{100} = \$1,809,469,404 \\ \text{Gold}: \quad & F(t) = \$100,000 \cdot (1+0.056)^{100} = \$23,248,333 \end{aligned}$$

Which one would you pursue?



	Stocks	Cash	Bonds	Real Estate	Gold	Inflation
1930s	-0.9%	1.0%	4.0%	-1.2%	5.3%	-2.0%
1940s	8.5%	0.5%	2.5%	8.1%	-0.8%	5.4%
1950s	19.5%	2.0%	0.8%	3.0%	1.0%	2.2%
1960s	7.7%	4.0%	2.4%	2.2%	1.6%	2.5%
1970s	5.9%	6.3%	5.4%	8.7%	28.6%	7.4%
1980s	17.3%	8.8%	12.0%	5.9%	-2.5%	5.1%
1990s	18.0%	4.8%	7.4%	2.7%	-3.1%	2.9%
2000s	-1.0%	2.7%	6.3%	4.0%	14.1%	2.6%
2010s	13.4%	0.6%	4.1%	3.8%	3.4%	1.8%
2020s	11.9%	1.9%	-2.4%	10.2%	8.0%	4.5%
Average	10.3%	3.3%	4.3%	4.7%	5.6%	3.2%

Figure 2: **Best Asset Classes by Decades.**

Investing in stocks at the expected market average or holding gold required little effort: you bought and let it ride. A single decision demanding little research, but a lot of patience and perseverance. It was simply letting time do its thing. Such investments can run on cruise control while returns compound.

Having equations to make forward estimates is not enough. They only give views and ranges of future possibilities. What will matter are your forward investments and how you will behave in the future. Will you participate and wait to see that future unfold?

You cannot trade the past; that's gone. Period. But you can still simulate it using market data to extract valuable information and trading procedures.

Past market data used in your simulations is dead data with no monetary value. However, that doesn't mean your market simulations have no value. On the contrary, they can offer many worthwhile lessons.

Can we retrieve what was important from those simulations? Yes. But a bigger question might be:

Can any of it replicate in the future,
and how reliable will that information be?

The neglected factors in the above future value equation are: all of them.

The initial and ongoing capital is limited, available growth rates are limited, and the time available is also limited. Furthermore, you will be dealing with a high degree of randomness, uncertainty, and unpredictability. You will have a general sense of where the market is going on average, but will not be able to certify that the price will be up or down tomorrow, or next week, for that matter.

The conviction in what you will do will also change with time. You will need to be steadfast in your endeavor and push on, even if you have downturns and doubts; they are inevitable. So brace for it, because you will often have periods of negative returns. However, that is not what really counts. What does is the endgame: will you win or lose? And by how much?

Nonetheless, **your mission remains to make the most of it.**

The future value formula enables you to make whatever return estimate you want. Fill in the numbers, and you get your answer, whether realistic or not.

Another way to obtain your average growth rate is to rearrange the future value formula:

$$\left[\frac{f_0 \cdot \prod_1^N (1 \pm r_i)}{f_0}\right]^{\frac{1}{N}} - 1 = \bar{g}$$

where we take the overall performance over period t.

But again, you need to reach t or N to know the outcome. As N increases, $\bar{g}$, the average growth rate, gradually tends toward its long-term average. And that is worthwhile information.

Those who have read my articles and papers on my version of the OPPW TQQQ trading strategy have found an incredible strategy that looks too good to be true. Yet, not by so much; it is rather ordinary in design and with no pretensions. There is no

hype, and you can verify it all (you have the program's core logic).

There are very simple reasons why my strategy wins over the long term. I will go over some of them.

The strategy is basically designed to outperform long-term market averages. It starts with TQQQ, a 3x-leveraged QQQ ETF, so you should expect close to 3x QQQ's long-term average return.

If QQQ can average a long-term 15% CAGR, you should expect near a 45% return from TQQQ. And if you do less than that, your trading strategy is not that hot, since you could have made more by buying and holding TQQQ outright, which is not that great an idea either, since it can suffer drawdowns in excess of -80%.

With TQQQ, you gain access to a 3x-leveraged investment scenario without paying leverage fees. That is a valuable advantage: you can leverage a QQQ position without paying the fees.

The product equation (2) describes my OPPW TQQQ trading strategy. We get a compounding string of returns based on the preceding portfolio value at $t-1$. We could express it as a long series of returns, such as:

$$f_0 \cdot (1 \pm r_1) \cdot (1 \pm r_2) \cdots (1 \pm r_{n-1}) \cdot (1 \pm r_N) = f_0 \cdot (1 + \bar{g})^N \tag{3}$$

For my 1% strategy version, N is currently exceeding 950 trades. It would make it cumbersome to carry around those 950+ return factors. Nonetheless, they are there and can easily be expressed using the product equation above.

What matters most is not the series itself, but its outcome.

We could look at it from the point of view of the weekly trading account balance:

$$F(n) = f_{n-1} \cdot (1 \pm r_n) = f_n$$

which depends only on the previous balance f_{n-1} times the new achieved return $(1 \pm r_n)$, and where $n = 1, \cdots, N$.

The system takes only one trade at a time and compounds the result $(1 \pm r_n)$. The only outcome you know is for $n = 1$, which is f_0, your initial stake.

The impact of the above equation is understated. It carries its own information. It asserts that the account balance depends only on its current state and the return on the next trade it takes, no matter how large N is or how long it takes.

This appears as if independent of the trade decision process altogether, which could nonetheless be whatever you want.

The more you accept the high degree of randomness in the process, the more you will accept that it could be anything triggering the next trade.

After exiting a position, you take a new trade, which within 5 trading days will determine its outcome. The only thing of importance becomes that return factor: $(1 \pm r_n)$, which you almost can't predict.

So, you'd better brace for that notion and its implications. You will see negative trades sprinkled throughout the trade series, as if randomly distributed.

Equation (3) also states that the order of those returns is irrelevant. Moving a 10% gain to anywhere in the series will give the same result. It also implies that all trades affect the final result. All trades are compounding. Even if we rearrange those returns in any order without duplication, we would still get the same result.

It makes a Monte Carlo simulation without replacements useless, since all those simulations will end with the same answer. Furthermore, the average of all those simulations would tend, on average, to your original series. You could make 100,000 Monte Carlo simulations, and none of them will tell you what will happen.

There are too many possible combinations. You would have to bet on one of them; which one? Moreover, your future returns are unknown, all of them.

In a game structured like my OPPW TQQQ strategy, where you do one or two trades a week, it took 16.5 years to reach 950 trades. That is a long wait. It also makes the strategy not only a long-term endeavor, but also a long-term investment strategy.

And since a program will run the operation, all you have to do is start it and let it run. Week after week, new $\pm r_i$ will increase the number of trades by one or two and affect the account balance.

This is one of the outstanding properties of this strategy and a side effect of its betting method, which also varies the bet size after every trade. The bet size will increase following a gain and decrease after a loss. We can also observe the bet size increasing exponentially, on average.

This method of play is slow and boring, but it is also a rewarding long-term endeavor. Nonetheless, you have to be there week after week for many years to reap its rewards. I hope you can see the strategy's potential and have the patience and determination to carry it out.

Be assured that even with your participation, TQQQ's price will go up and down and continue to fluctuate as it has in the past. It will continue to mimic QQQ's price gyrations. Furthermore, we could say QQQ has no intention of quitting the game.

You might look at TQQQ as if it were only one ETF, but in reality, you are mimicking the average outcome of the top 100 stocks in QQQ, which are also part of the NDX and SPY.

TQQQ, even at 3x-leveraged, is relatively secure against going bankrupt. TQQQ will have wild price swings, 3x larger than QQQ, by construction. A $\pm 2\%$ move on QQQ will translate into a $\pm 6\%$ swing in TQQQ, which it can easily do in a single day, anytime. And at times, swing even more.

... SEPARATING WINNERS AND LOSERS ...

Another expression for the product function resides in the separation of winning and losing trades:

$$F(t) = f_0 \cdot (1 + \bar{g})^N = f_0 \cdot (1 + \bar{w}_{\%})^W \cdot (1 - \bar{l}_{\%})^L \tag{4}$$

where $W + L = N$, with $\bar{w}_{\%}$ the average percent win per winning trade, and $\bar{l}_{\%}$ the average percent loss per losing trade. It gives the same result as in equations (1), (2), and (3).

The trade numbers for equation (4) are found in the WL8[3] Summary Report after any program simulation. It needs an adjustment factor for the exposure rate, since in my OPPW TQQQ strategy, the exposure is less than 100%.

Equation (4) dates back a few centuries, and not all values will give interesting or worthwhile results. For example, take equation (4) and put it in a game of chance with equal probability of winning or losing based on a fair coin flip. Make it so that if you win, you get a 5% return on your bet, and if you lose, you lose -5%.

With an equal percent win or loss per play, and an equal number of flips on each side, the expected outcome for 950 plays would be:

$$F(t) = \$100,000 \cdot (1 + 0.05)^{475} \cdot (1 - 0.05)^{475} = \$30,453 \tag{5}$$

That is not a winning scenario; it is not even close to breaking even. You lost almost 70% of your original stake after 950 bets. If you continue to play under those conditions, you will lose even more.

The outcome of equation (5) has been known for centuries; no one dares bet that way, hoping to win the long game. Yet, that equation structure is the modus operandi for the OPPW TQQQ strategy. It operates according to equation (5), which still needs to be scaled down by the reduced exposure rate.

The expected outcome of the above game depends on the trading rules. Here, the bet had an expected 50/50 outcome, equivalent to a fair coin-flipping contest. It gave an expected 475 wins and 475 losses.

[3] **Wealth-Lab**. Version 9 is out.

In the above 50/50 game, you rarely hit that mark after 950 coin flips. The variance is $npq = 950 \cdot 0.50 \cdot 0.50 = 237.5$ and the standard deviation: ($\sqrt{\sigma^2} = 15.4$). The outcome will be centered near a mean of zero, with about 66.6% within $\pm 1\sigma$ (that is, 633 trades out of 950 will be within $\pm 1\sigma$ from the mean).

To win, with equation (5), you need some assured parameter adjustments.

We should first have more winning trades than losing trades as a way to compensate for the continuous return degradation.

$$F(t) = \$100,000 \cdot (1 + 0.05)^{475+\delta} \cdot (1 - 0.05)^{475-\delta} = \$30,453$$

For $\delta = 0$, there would be no change to the above example. However, with $\delta = 12$, it would be sufficient to break even:

$$F(t) = \$100,000 \cdot (1 + 0.05)^{475+12} \cdot (1 - 0.05)^{475-12} = \$101,208$$

You would need a win rate of 51.26% to make that happen, which could easily be had by chance alone.

This is a trade imbalance: 12 more positive trades out of 950, a 1.26% improvement favoring winning trades. A simple trade selection process could be sufficient to give you that edge.

Only 12 trades at the average percent gain per trade were needed to break even; they could come from anywhere in the 950 trade series. The market has, on average, 52% to 54% up weeks per year. You do not even have to make an effort to get that 51.26% hit rate.

It is as if the market is already assuring you that you might not lose in the long run as long as you participate in the game and follow appropriate and consequential trading rules.

Relying on luck is not part of your game plan.

If your objective were to reach $\$50$ million in 16.5 years under the same playing conditions, you would need a hit rate of 57.79%, or win 74 more trades during the period $\delta = 74$.

$$F(t) = \$100,000 \cdot (1 + 0.05)^{475+74} \cdot (1 - 0.05)^{475-74} = \$50,129,216$$

But, you started with a game of chance, with unknown odds.

What remains is still close to a random-walk kind of thing: for the most part, unpredictable. Therefore, there is no assurance you will get that 57.79% hit rate. That is a 7.79% increase on the 950 trades, but also a 15.57% increase on the 475 winning trades.

Nonetheless, that win rate is close to my current version of the OPPW TQQQ's hit rate at 58.99%. This hit rate is not due to chance. My OPPW hit rate is greater than 5 sigmas away ($> +5\sigma$) from an expected mean of zero. You had to do stuff to get it.

Your trading logic just became important, even crucial.

The above equation, even if it reached its $\$50$ million goal, still has an average return of $\pm 5\%$ per win or loss.

You could get even, even with that average $+5\%$ per winning trade and -5% on losing trades, which is already known to be usually detrimental to your long-term portfolio due to long-term return degradation. You already had an equal split between winning and losing plays, which, as shown above, was also counterproductive.

The market is offering an upside bias as long as you play in the same direction as that bias. The not-so-surprising thing in a biased coin-flipping game is that as long as you play many rounds, you will end up near the average of the expected long-term upside bias.

A strategy could still use a 5% profit target and a -5% stop-loss. Both are simple trading rules that could still gradually destroy your portfolio due to a lower hit rate. It might not be that noticeable in the beginning, but as the number of trades increases, it will become more and more apparent that there was something wrong (and from the start) in your trading logic for this kind of game.

One other thing you could do to improve the equal percent win or loss per trade would be to destabilize those rates by making the average percent win per winning trade greater than the average percent loss per losing trade. The impact could be considerable.

You could easily achieve an equal $\pm 5\%$ win or loss per trade using a 5% profit target and a -5% stop-loss. You often see this in novice trading strategies: using equal profit targets and stop losses. They will be the reason for your long-term portfolio decay, and not necessarily some regime change or overfitting. So don't do that, since you can easily create this trade imbalance yourself.

Based on the above equation, setting the average percent profit target equal to the average percent stop-loss is not the best way to improve your strategy design. Should you attempt to raise that average equal percent win or loss per trade, such as going for $\pm 10\%$, the outcome would only get worse.

However, and this is a big one, a slight return imbalance could be sufficient to reduce the average percent loss per losing trade:

$$F(t) = \$100,000 \cdot (1 + 0.05)^{475+74} \cdot (1 - 0.04)^{475-74} = \$3,339,562,981$$

Already, just reducing the average percent loss per losing trade from -5.0% to -4.0% on average is quite an improvement.

The added requirement was to reduce the average percent loss per losing trade. You can design such trading procedures with ease. It is what makes the Fleury OPPW TQQQ trading strategy and its variations so compelling.

Doing this will require realistic and acceptable trading procedures.

... THE FLEURY OPPW TQQQ TRADING STRATEGY ...

The first mention made of my OPPW strategy was in early May 2024. [4] This was after the original WL version had been sitting in the example code section of the program since May 2022 as a template anyone could try.

In November 2024, I released the code to my version of the program in my paper: **Gain Your Financial Freedom**. Since then, I made slight improvements to increase its long-term CAGR to its current level. Nonetheless, there is still room to do much more.

My version of the OPPW TQQQ trading strategy operates as described above. At least, its statistics follow a similar pattern.

For instance, my latest published simulation [5] had, using the numbers from its WL8 Summary Report:

$$F(t) = 0.5529 \cdot \$100,000 \cdot (1 + 0.0434)^{568} \cdot (1 - 0.0257)^{400} = \$50,095,694,904 \quad (6)$$

where the average percent loss per losing trade is even lower than the one projected above. The 0.5529 at the start of the equation is the strategy's exposure rate. The exposure adjustment factor (0.5529) is simply asserting that the capital is not on the table all the time. Only 55.29% of available capital was used over the period, also leaving room for improvements. The rest of the time, the portfolio was in cash waiting to be deployed.

We should ask the most fundamental of questions: ***Why is that strategy behaving that way*?**

The answer is embedded in the strategy's trade mechanics, the outcome of its trading rules reacting to random-like price fluctuations.

If we had a normal distribution with $\mu = 0.0$ and $\sigma = 1$, we would have expected 50% positive and 50% negative trades. We know all those numbers and could separate them into sigma boundaries, such as:

[4] Reference: **The OPPW TQQQ trading strategy. Part I**.
[5] **Financing Your Retirement** has the strategy's equity log chart.

$> \pm 0\sigma, \ < \pm 1\sigma = 0.3413$, for Type-B, and Type-C trades: $950 \cdot 0.3413 = 325$

$> \pm 1\sigma, \ < \pm 2\sigma = 0.1359$, for Type-A, and Type-D trades: $950 \cdot 0.1359 = 129$

$> \pm 2\sigma, \ < \pm 3\sigma = 0.0214$, for Type-A, and Type-D trades: $950 \cdot 0.0214 = 20$

$> \pm 3\sigma = 0.0013,$ for Type-A, and Type-D trades: $950 \cdot 0.0013 = 1$

For a normal distribution: Type-A plus Type-B trades total 475, all positive. Type-C plus Type-D trades also total 475, all of which are either zero or negative.

Of those trades, you want to keep all 475 positive trades. You could dispense with all the negative ones, but that is not possible.

The quasi-normal return distribution would look like Figure (3), where the trade types are delimited. You would get such a chart after all the trades have occurred.

Trade after trade, you would see the chart take form. After a few hundred trades, you will see the distribution gradually increment to resemble the chart below, ultimately. The trade types have about the same kind of distribution as the σ separations below.

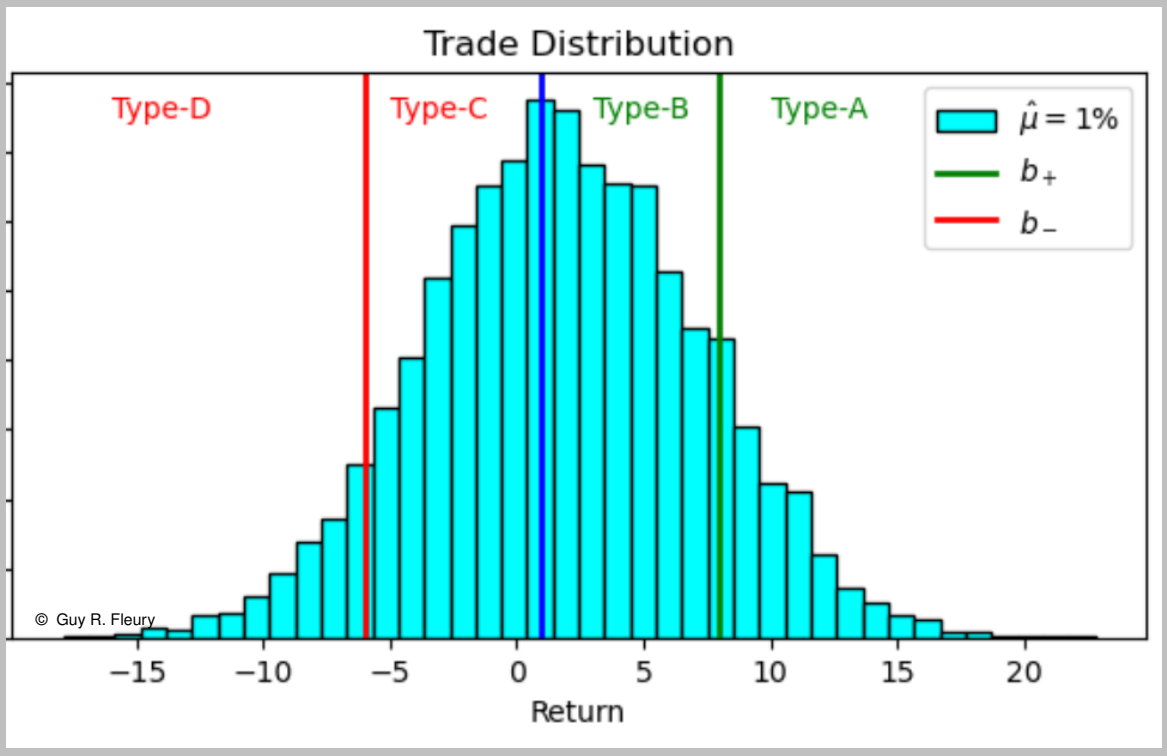


Figure 3: **The Trade Distribution.**

To get all the positive trades, as shown before, the solution is simple: take all 950 bets, and you will get all 475 winning trades. And if there is an upside bias in the series of returns, you will also get them all.

You cannot be simpler than that. If you play with a fair coin, you can bet heads all the time, and you will get every head in the series, whether you have 100 flips or 10,000.

That procedure of always betting long is sufficient to make you win all the winning trades; no other effort than placing the bet. In an upside-biased coin flip, you will gain that bias by playing many rounds.

You are designing a trading strategy,
and half of it is already solved.

You want all the winning trades and will easily accept the strategy's 58.99% win rate and upside bias.

You opted to structure your game with this upside bias so you could profit from it.

The problem isn't finding winners; they are all there for the taking and with little effort.

You know from the start that you will get them; you will get all the past or future winning trades.

You make your bet, take a position, and wait for its exit. That part is the same as a buy-and-hold. The same amount of money can be on the table waiting for the trade's anticipated and time-limited exit.

That you take a position, and each week, decide to hold that position, is about the same as the person who takes a position on Monday's open and sells it on Friday's close. In both cases, the money is on the table. As such, both should be considered to be taking about the same risk. Long-term holdings have an added advantage since they also hold over weekends, which can boost those returns a bit.

In the above portfolio equation (6), you had: $(1 + 0.0434)^{568}$. The average percent win per winning trade was 4.34% on 568 trades out of 968. The same held for the negative trades: $(1 - 0.0257)^{400}$, with an average loss of -2.57% per losing trade over the remaining 400 trades.

What you could not avoid in the quasi-normal return distribution were those negative trades. However, with the adopted trading procedures, you can reduce their impact by creating a return imbalance.

The OPPW program aimed for an average gain of $+1\%$ per trade or better. My program version used two procedures to achieve its objective. One was to take all the positive trades, and the other was to limit the losses $-$ not all of them, but a lot of them. That is where the Type-C trades come in.

No effort was required to pick winners. They were a side effect of the procedures used. By betting long every week, you got all the winning trades. As simple as that.

The Type-C trade introduced the breakeven trade. Overall, it reduced the average percent loss per losing trade, simply because it was there and produced nothing.

It would account for about 34% of trades in a quasi-normal distribution of returns. At breakeven, those trades would result in no expected loss. This gave 325 trades with an expected loss of zero. This created a return imbalance. We could say that Type-A and Type-D trades almost cancel each other out (150 trades positive and 150 negative).

But nothing cancels out the 325 Type-B positive trades in the program, which means all trades with positive returns less than 7%.

The Fleury OPPW TQQQ strategy gradually shifted its mean return to more than 1% per trade. This was driven by more winning trades and fewer losing trades. In my program version, Type-C trades also showed a small positive edge after slight modifications to the trading procedures.

The impact of the breakeven stop-loss is phenomenal.
You have something designed to do nothing that
turns out to be the reason you do make something.

The Type-C trades are about the same as the Type-B trades, and we should expect their average return to be about -4.34%. Removing them could give the following:

$$F(t) = 0.5529 \cdot \$100,000 \cdot (1 + 0.0434)^{568} \cdot \cancel{(1 - 0.0.0434)^{300}} \cdot (1 - 0.0989)^{100} = \$50,120,841,549 \quad (7)$$

which is close enough to equation (6).

By removing the Type-C trades from the equation, we are left with the average percent loss per losing Type-D trade, which averages at a higher loss. Not as high as in equation (7) since Type-C trades have a slight positive edge and are not zero. It tends to reduce the percent loss per trade of Type-D trades.

We are winning the game because of a technicality, which isn't available in other games of chance with high levels of randomness.

In our game, we can take back our bet whenever we want and for whatever reason.

That is what Type-C trades are and do: they are an attempted breakeven stop-loss, which you do not get all the time, but often enough to make a real difference.

Figure (1), on page 1, uses the same data as Figure (3), but orders it by increasing returns.

The red line is the cumulative return for a quasi-normal distribution, while the superimposed green line represents the ordered returns of the Fleury OPPW TQQQ strategy.

The heavy horizontal blue lines show the average returns for each trade type. That chart, Figure (1), justify the use of equations (1), (2), (3). The horizontal cyan line is for the overall average percent return per trade.

All four trade types are depicted in Figure (1) and can be summarized by the dark blue horizontal lines on the chart. Each segment gives the average percent win or loss per trade for its respective type.

If we cannot predict with any certainty what the price will be tomorrow, we might have to accept that we are dealing with quasi-random outcomes.

However, no matter the randomness, the Type-C trade will make us win the game over the long term.

Not canceling the Type-C trades would have given something like:

$$F(t) = 0.5529 \cdot \$100,000 \cdot (1 + 0.0434)^{568} \cdot (1 - 0.0434)^{400} = \$32,724,272 \tag{8}$$

Equation (8) raises the value of that break-even procedure (Type-C). A single procedure, living on the randomness of price movements, can deliver the difference between equations (7) and (8).

It is not the market that is providing all those profits,
it is your trading procedures, your gaming method.

The market couldn't care less about your tribulations. As an independent trader/investor, you carry no market weight whatsoever.

It will take many years before any of your trading activity could even affect market prices.

Nonetheless, your trading activity is terribly important to you. And that is what matters. It can even be life-changing.

The Fleury OPPW TQQQ strategy can provide a phenomenal retirement stake. The outcome of equation (7) could give, after 16.5 years, its first 5% annual withdrawal at $\$2.5$ billion to start retirement. And thereafter, year after year, it would continue to grow at your ongoing average growth rate minus the 5% withdrawal rate.

This pace will become unsustainable at those high rates. However, you could still work your way out of this scenario and switch your holdings directly to QQQ's 100 stocks, for instance, which would allow your portfolio to continue growing, even if at a lower rate.

... THE RISKS INVOLVED ...

Much like TQQQ, which resets every day, my OPPW resets every week.

Each week, it starts from a cash position after also spending the weekend in cash. Positions are closed at the latest at the close of the last trading day of the week. This is the reason why the exposure rate is lower than 60%.

The OPPW is not in the market all the time as in a buy-and-hold scenario. It participates in the game, takes its profit or loss, and goes home to rest over the weekend.

The strategy does not diversify per se. It is trading one ETF only. However, TQQQ mimics and amplifies QQQ's price fluctuations.

As you know, QQQ is composed of the top 100 stocks in the NDX, which are also part of the SPY ETF, which mimics the S&P 500 index.

The OPPW strategy tracks and amplifies the average return of those 100 NDX stocks. So, technically, it is diversified enough.

QQQ will outperform SPY by construction. The top 100 stocks of the top 500 will automatically outperform the top 500. The bottom 400 can only drag down the top 100's average.

TQQQ is an ETF based on QQQ. Its risk profile differs from that of a single stock. For instance, the risk of ruin for QQQ is rather low, if not infinitesimal. It would require all those top 100 stocks to fall sharply or almost go bankrupt.

We might not see that happen except following a catastrophic or mass extinction event, whatever its nature; and by then, who would care? You would really be out of the game, if not dead.

We should go with: well, the sun might rise again tomorrow and leave it at that. The end of the world has been coming for centuries, cataclysm after cataclysm, natural and manmade, and we are still there. So, why worry about that?

You have an ETF (QQQ), which, in all probability, or as mathematicians like to say, almost surely, will be there for years to come. That doesn't mean there won't be any drawdowns. Be assured you will have them, and because you are dealing with TQQQ, they might be 3x as large.

It is why you designed your strategy with an escape hatch. At the first sign of trouble, the strategy looks for an exit to its position, if it can get it.

Based on my strategy's equation, perhaps
the real risk is in not following it.

It is rare to have an equation that explains a trading strategy. The equation is not a random-walk or stochastic equation, but it does provide the outcome of a

quasi-random process through its trade-type separation procedures. A lot of: if the market does this, it will do that kind of thing; then it classifies the outcome by its trade type. Refer to Figure (3) to put this classification into context.

We can ignore the program's break-even feature, as shown in equations (7) and (8). This break-even stop-loss not only saves the strategy; it is the main reason it can prosper to unprecedented levels.

Regardless, not using the strategy at all would be even worse; you couldn't reap its benefits. You wouldn't lose anything either, other than the opportunity to profit greatly.

Of course, equation (6) is more than a reasonable outcome to your investment and retirement endeavor.

Even having 10 times less would be rewarding enough. Imagine having 10 times more.

It provides plenty of leeway when forecast precision can vary widely. With added program modifications, equation (6) results could also be improved by at least a factor of 10. Starting with 10 times more initial capital would already generate 10 times more, since the strategy is almost 100% scalable.

One other thing is required, and it is a hidden part of the equation, though it's in plain sight: persistence. You have to put the strategy in motion and keep it going.

Every week, you have to buy and then sell your position according to the program's trading logic.

You can miss a week here and there for whatever reason. Use those weeks as a preventive measure for when you expect the market to fall.

The strategy always bets on the long side; the market doesn't. You still have to be there for all those years. You are playing for the long game, and you have to put in the time and effort.

Equations (6) and (7) assure you of bad days. The average percent loss on losing trades (Type-D) is close to -9.9%, and over 950 trades, you might see such average losses about 100 times.

So, prepare for bad weeks; you will have them.

· · · INVESTMENT BOREDOM · · ·

On the other side of the coin, you should also be prepared to make profits, since

Type-A and Type-B trades are all positive. And even if you wanted to declare the strategy a game of chance, just by following the program's trading rules, you would win anyway.

You are playing a highly volatile scenario. TQQQ's price gyrations can easily exceed $\pm 15\%$ in a single week. Seeing your portfolio drop by -10% or rise by 10% in a week could be a shocker. But these are inevitable.

So brace yourself for those price swings and add more downside protection to your version of the program; you will need it.

A weak point might be that you have to do those trades, suffer the more-than-occasional loss, and follow the program's trading routines. You win first by participating in the game and second by following the trading procedures for years on end.

There is no return on a bet not made (positive or negative). You don't bet, you don't win, and you don't lose. It is your choice.

My OPPW strategy works by making trade after trade with no certainty of winning or losing any of those trades. You might not know the return for any coming week, but you know you are going to win the overall game.

It will take years to reach your goal, and you know this from the start. So be ready to persevere, put in the time, and do the work, even if it is minimal (5 to 10 minutes per week).

. . . THE CHICKEN MODE . . .

My version of the OPPW TQQQ strategy is in permanent chicken mode.

That is its basic mode of operation. The strategy is easy to take on the risk, buying Monday's open no matter what, but it will run away on the first sign of weakness. Here, weakness is defined as closing the day below the entry price, which is a very simple trading rule.

Each day, new trading orders are set based on the previous day's outcome. As long as the price stays above the entry price, the strategy holds its position until one of its profit targets, stop-loss procedures, or holding time limit is hit.

On the second day of trading, the trade type is either Type-B or Type-C. If Type-B, the program waits for its profit target (Type-A) and, by Friday's close, will be sold as a Type-B for closing positive for the week but at a return below its profit target (7%). Otherwise, if a Type-C trade is in force, the strategy will try to exit at break-even or at the other stop-loss exits. If by the close of Friday, the Type-C is still active and

not executed, it will be declared a Type-D and exit at the close of trading with the loss. Both Type-B and Type-D are liquidated on the close of the last trading day of the week.

Another thing about my OPPW TQQQ trading strategy: **it is boring to the core.**

It might look like a day-trading strategy, but it is more of a five-day strategy. Nearly half the trades will be liquidated on Friday's close, with the week spent waiting for that exit.

You buy at the open on the first trading day of the week, then wait until the trade closes. Type-B and Type-D trades will be sold at the close on the last trading day of the week. Both operations will take a few minutes at most (with the program, milliseconds).

Your program will process the other potential exits during the week, either at the profit targets or stop-losses. The program has exit points that, if hit by TQQQ's price gyrations, will be executed to exit a position. The price, just by randomly wiggling around, could hit one of the exit points. That is intentional.

There are no opinions expressed in the Fleury OPPW TQQQ trading rules, no market sentiment, fundamental data at any level, or any technical indicators used, not even moon phases or astrology.

Nonetheless, it follows a trading philosophy based on the long-term secular uptrend of US equities that has been up, on average, for over 200 years. It includes good years and bad years, but still rising relentlessly in value.

The strategy plays on this uptrend, knowing there will be more up weeks than down weeks, and expects this uptrend to continue for many years to come. It is reminiscent of the data presented in Figure (2).

Even when that long-term upward trend is temporarily broken, the Type-C trade will still save the day; see equations (7) and (8).

Even when that long-term upward trend is temporarily broken, the Type-C trade will still save the day; see equations (7) and (8).

You will have to let the strategy do its thing for 15+ years, no matter what else you might want to do.

You will need discipline, perseverance, and patience to put the program in motion and maintain it over those years, including finding ways to improve on its trading methods.

As mentioned, program modifications could increase performance by a factor of 10, which could be phenomenal. Ten times the outcome of equation (6) makes that quest even more worthwhile.

Regardless, equation (6) is already more than sufficient for whatever your needs might be to achieve financial freedom.

The program will still need modifications as you go along. It will need to evolve to manage the growing size of its trades. But you have 5 to 8+ years to solve that technicality, and there are many solutions. It would only be premature and of little use to add them now.

Like with any investment, you need to plan for the long term. You do not buy a building or a business for a year or two. You plan to hold for many years, or improve them to make them more marketable to obtain a potentially higher sale price.

My OPPW strategy spends half its time in a buy-and-hold mode. Every weekend, it is in cash. On average, it spends about 3 days per week in a position. The exposure-adjusted return exceeds 200%.

Nonetheless, my program still has room to grow, but doing so will require adding new, profitable trading procedures.

In my series of articles and papers chronicling the evolution of my version of the OPPW TQQQ trading strategy, I outlined a few improvements to this program. Already, many have made those worthwhile modifications and raised performance to higher levels. Congratulations to all.

Hoping I convinced you of the strategy's merits. I did my homework, and I hope you will too.

Here is the main thing.
You can verify it all yourself.

You have over 50 articles and papers praising the strategy's merits, as well as its strengths and weaknesses. I added code and, at times, program modifications from friends. I aimed for trading procedures that could increase overall performance while remaining close to the quasi-random nature of price gyrations.

The ball is now in your court. Take my version of the program, modify it to suit your needs, and make it yours.

My Website: **AlphaPowerTrading.com**

Related Papers and Articles:

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Fleury's OPPW TQQQ Strategy: Retire Rich
Fleury's OPPW TQQQ Strategy: Beyond Market Averages
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The OPPW TQQQ Trading Strategy: MY EQUATION
The OPPW TQQQ Trading Strategy: Some Trading Habits
The OPPW TQQQ Trading Strategy: Trade Distribution
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High Stock Portfolio Returns? Easy
Stock Trading Strategy Alpha Generation
There Is Always A Better Retirement Fund: **Part I**, and **Part II**
The One Percent a Week Stock Trading Program: **Part VII**, and **Part VIII**
The One Percent a Week Stock Trading Program: **Part V**, and **Part VI**
The One Percent a Week Stock Trading Program: **Part III**, and **Part IV**
The One Percent a Week Stock Trading Program: **Part I**, and **Part II**
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