



Sector Surfer
Change the Game

Monthly
Perspective



ALPHADROID
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Perspective: The Market Pennant Race? ... Our Own A.I. ETF?

May 03, 2018

Dear Scott,

Please Share Your Thoughts and Opinions

This month's newsletter contains two interesting, fun, and important questions that I hope you will consider and reply to with your thoughts and opinions. Next week I will send a follow up newsletter with a summary of the replies.

• Let's Have Some Fun and Predict the Pennant Race

Of course, this is not about Major League Baseball, but about the classic pennant chart pattern forming in all major market indexes (as illustrated right). Technical traders say that at the tip of the pennant the market will either break out strongly higher or lower, but it's direction won't be known until we get there. Presuming that it is events that drive charts (vs. charts driving events), one must still acknowledge that chart patterns can also be driven by the self-fulfilling prophecies of a large number of traders with similar beliefs. In any case, let's have some fun among ourselves and see what we (as a group) believe will happen. Next week I'll report back on our visceral accuracy. After hitting reply, please indicate your choice/reason below.

At the tip of the pennant the market will:

- Strongly head higher
- Defy wisdom and stay flat
- Strongly head lower
- I have no clue
- Come on... this is just "Farfelous of the Blowhole"

Because: _____

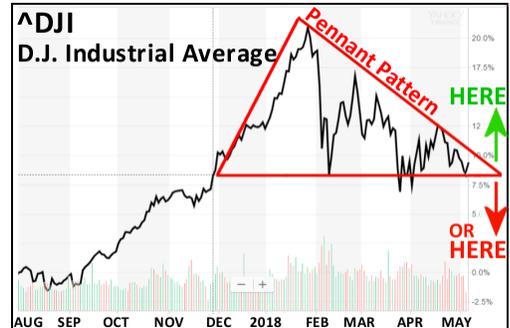
• Breaking News:

- High Level Leak Claims A.I. is "In The Works"

Pssst - I just heard that an anonymous source linked to a well-known insider claims SumGrowth has been secretly developing AI (artificial intelligence) technology for deployment in an ETF. The source claims to have seen evidence suggesting it will be an ETF of ETFs, fully address the Seven Faces of Risk, and will use genetic algorithms to automatically evolve the membership sets of ETFs considered by its multiple underlying Strategies.

Wow — that's quit a leak of information! While I can neither confirm nor deny these allegations, I must admit that I am now curious about your interest in such a far-fetched scheme. Perhaps if you helped me understand your thoughts I could leak some feedback through the chain and influence their direction.

Pennant Pattern - What's Next?



S&P500 Index - 6 Years



Checking Your Interest Level ...



If AI ETFs with these performance classes existed, which might you seriously consider?

- One similar to [Conservative Prudent Momentum](#)
- One similar to [Moderate Prudent Momentum](#)
- One similar to [Aggressive Prudent Momentum](#)
- One similar to the above, but executed with 2x leveraged ETFs.
- None of them, because...?

Given the choice of simply buying an ETF or executing within SectorSurfer/AlphaDroid:

T/F: I would rather operate the equivalent AI ETF through SectorSurfer/AlphaDroid as a set of Master Strategies within a weighted portfolio so I can control its configuration better.

T/F: I would instantly gravitate to these ETFs which appear to meet my objectives and would allow me to pay more attention to my career/family/fishing/travel/etc.

T/F: I would want both options because...?

Thank you for these thoughts and opinions. Feel free to write more if you like... this is your chance to influence the ETFs before concrete is poured. I will let you know more about where this is all going soon.

Future Speaking Engagements.

- Houston, TX: AAI Chapter - 8:30 AM Sat October 13, 2018
- [San Antonio, TX: Riskalyze Fearless Investing Summit](#), Marriott Rivercenter - October 17-19, 2018
- [Las Vegas, NV: AAI National Convention](#), Paris Hotel - October 26 - 28, 2018

Surf Well and Prosper,



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