

Profit Mission Control Share Size and Portfolio Growth Strategy

How to use the Calculator?

The Share Size and Portfolio Growth Calculator primarily helps you compute three main trading parameters:

- 1) The maximum number of shares to procure in a given Launch (Row 8)
- 2) The maximum stock price to launch base on the number of shares (Row 13)
- 3) The number of Launches to achieve a particular portfolio growth (Row 24)

All required inputs are the cells with the light blue background. Here is a brief summary of each of the entry parameters and the resulting values.

Rows 1 -9 include the parameters and calculations to determine the number of shares to launch.

| Row | Required Parameter | Description |
|-----|-----------------------------|--|
| 1 | My Equity (or Wipeout Loss) | Your actual capital that if you lose, will put you out of trading. |
| 2 | Max Account Risk% | The maximum percent of your actual capital that you are willing to lose on a given launch. This should be no more than 3%. Most conservative traders use 1-2% or even less. |
| 3 | Round Trip Commission \$ | The fee you pay to the broker to buy & sell. The total round trip. |
| 4 | Launch Risk \$ | The amount in \$ of the (Entry Price - The Abort Price). Aka Stop Loss. For example, you decide that based on the chart setup for a given stock you will only allow for \$0.35 loss from Launch price. That is your Launch Risk. |
| 5 | Loss Cap/Launch \$ | Only enter if you have a very large equity >\$100K to cap your maximum loss in \$ regardless of the calculated value based on the parameters above. |

| Row | Resulting Parameter | Description |
|-----|-----------------------------|---|
| 6 | Max Account Risk/Launch | This is the maximum calculated \$ that you are allowed to lose on a given Launch including the commission. |
| 7 | Risk/Launch - Commission | This is the maximum calculated \$ that you are allowed to lose on a given without the commission cost. This is basically the maximum loss while in a launch that you should not exceed. |
| 8 | Number of Shares Per Launch | The most important calculated parameter you need which is how many shares to procure per Launch. This is rounded down to the nearest 5 shares. |
| 9 | Commission % To Risk | The percentage of the commission cost the to the total allowable loss. The smaller the equity, the larger this % is. This is why starting with a small capital is very challenging unless you use a broker with ultralow or zero commissions. |

| Row | Required Parameter | Description |
|-----|-------------------------|--|
| 10 | Buying Power Multiplier | This is number you multiply by your equity to figure out your buying power. This number depends on the broker but most brokers in the US give you 4x buying power. So, the number in this case would be 4. |

| | | |
|----|-------------------------|--|
| 11 | Number of Open Launches | This is desired number of active Launches you want to be in at a given time. |
|----|-------------------------|--|

| Row | Resulting Parameter | Description |
|-----|-----------------------------|---|
| 12 | Buying Power | This is simply your day trading buying power which is your equity multiplied by your Buying Power multiplier. |
| 13 | Max Stock Price per Launch | This is an important key parameter. This is the maximum stock price -on average- that you can trade based on your buying power, the number of Launches you want to have open at the same time and the acceptable risk. This doesn't mean that you can't trade any higher priced stock, you can. But you will have to balance that with an even lower-priced stock as part of the active launches. The point is that your buying power has to cover the number of Launches you want to have. |
| 14 | Cost/Launch | This is the number of shares multiplied by the maximum stock price for a given Launch. |
| 15 | Loosing Launches to Wipeout | Based on the maximum risk per launch, this number represents how many consecutive losing launches it will take to wipe out your equity. |

This next series of calculator cells help you identify the number of launches it will take to reach a desired equity growth target.

| Row | Required Parameter | Description |
|-----|-------------------------|---|
| 20 | Profit/Risk Ratio | Although this states profit/risk ratio, the calculation actually treats the number as your profit factor. Your profit factor, as well as your P/R ratio are factors that are calculated over a large number of launches. Your profit factor is the total amount of profit you made over the total amount of loss. While the profit/loss ratio is average amount you win on a launch over the average loss. They are close but not exactly the same. P/L ratio is a ratio of averages, while the profit factor is the ratio of sums. For this calculator, even if you enter the P/L ratio, it will be treated as your profit factor ratio. |
| 21 | Profit Taking Accuracy | This is the average accuracy over a period of time or over a number of launches. It is the ratio between the number of winning launches over the total number of launches. |
| 22 | Portfolio Growth Target | This is desired equity growth. 100% means double, 200% means triple and so on. |

| Row | Resulting Parameter | Description |
|-----|----------------------------|---|
| 23 | Profit Target/Launch | This is the expected profit/share/launch based on your P/L% Ratio and the known Launch Risk (Stop loss) |
| 24 | Launches to Growth Target | This is a calculated number of Launches it will take to reach your portfolio growth target. You can further take that number and estimate the number of trading days (weeks, months) to reach your target based on the average number of launches you take per day. |
| 25 | Total Number of Launches | Same as above. We like to repeat ourselves. |
| 26 | Number of Winning Launches | Self-explanatory. It's the portion of your total Launches that you should win based on your accuracy input above. |
| 27 | Number of Losing Launches | The difference between your total launches and the winning launches. |
| 28 | Total Portfolio Profit | This is how much profit you are expected to make on the winning launches if you maintain that accuracy. |
| 29 | Total Portfolio Loss | This how much you are expected to lose on the losing launches if you maintain that accuracy. |
| 30 | Total Net Profit | The difference between the prior two rows. This is the amount by which your equity should increase. |
| 31 | Ending Portfolio Balance | This is the expected resulting equity size after achieving the net profit above. You starting equity + the net profit. |