

for: BullCharts User Group
and U3A (Manningham)
Stockmarket group (2014)

Position sizing

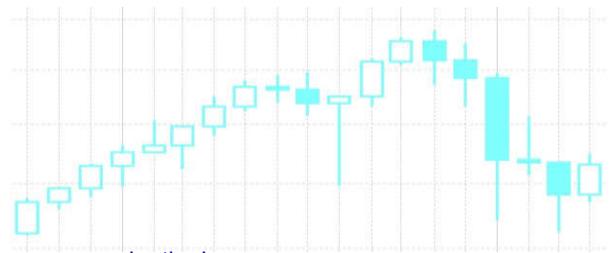


Robert Brain for ATAA Brisbane
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"The share market can seem mystical and almost like black magic; but with the right support and assistance, it just seems like magic."

Robert Brain



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C-Revision: 2



Introduction & Housekeeping

Position size?

When trading / investing in shares:

- 1) Should we use a fixed position size every time (ie. same dollar amount)?
- 2) Is there a minimum position size to use (ie. minimum dollar value)?
- 3) Is there a maximum position size to use?
- 4) Does it matter?



Today's agenda

- Is it possible to “optimise” the position size?
- Does it make any difference?
- Let's consider some options.

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Important Notice — No Advice!

- This presentation does not include any advice.
- For proper advice, your personal financial situation needs to be considered.
- This presentation is pure education, only for your general awareness.
- There are no recommendations to take any action, or to invest any money in any way.
- Always consult a properly licensed advisor before making investment decisions.



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Important Notice



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Position Sizing

Let's consider three options:

We have \$100,000 to invest:-

- (a) Invest a small portion (eg. \$1,000)
- (b) Invest a large portion (eg. \$70k)
- (c) Equal size positions

**Is one of these
any better than
the others?**

