

The QI Investing Approach

START TO FINISH



Welcome to the QI guide to investing! This eBook introduces you to the QI Buy

& Hold strategy primarily while using option trading strategies to generate cash coupled with regular savings. Your portfolio, brokerage account will have multi-roles, savings, cash generation for building long positions and equity appreciation. Our strategies, being implemented since 2005, are a strategic yet conservative way to have incremental and consist growth in your portfolio while reducing your downside risk along the way.

After reading this eBook, you will be empowered to trade in the markets and see opportunity for consistent returns in your portfolio.

For more personalized hands-on support on your investing journey, we do offer mentorships and workshops that are both virtual and in-person. Learn more at www.learnwithqi.net.

Disclaimer: Our QI experts, while knowledgeable, are not licensed to provide investment advice or stock recommendations. All sessions, information, and content are solely for educational purposes, empowering you to make informed decisions.

It's important to note that nothing shared should be considered investment advice or recommendations. Options trading carries unique risks and may only be suitable for some investors. Remember that all investments come with risks, including the risk of losses.

We want to make it clear that there will be no solicitation of session participants.

The QI Story

Hi, [I am Allen Toole, founder of Quartus Investments \(QI\) Inc.](#) My journey into the world of options trading began in 2005. I've also actively participated in company sponsored 401k plans since 1988.

My learning and active experience in these two worlds has allowed me to make better decisions and optimize my investments in both worlds.

Now, I want to evangelize my learning experience by exposing the opportunities that exist for anyone willing to save and become a disciplined learner, hence I have established QI. Our goal for you is to improve your relationship with your money.



to

Let's learn about my history and the purpose behind what we are doing at [Quartus Investments Inc.](#)

Why QI & My Black History

In rural communities like my hometown of Mound Bayou, Mississippi, economic opportunities are often scarce, especially in declining areas. As I've travelled back home over the years, I've recently realized the potential for creating financial wealth (has always existed, but is now more apparent) that isn't dependent on the local economy. This potential, when harnessed through investing, can bring a new wave of prosperity to our rural communities.

During a visit in January 2023 for a friend's funeral, it struck me that teaching investing within our community could be an answer. Having been involved in the stock markets since 2005, I realized the potential for investing to provide a pathway to financial security, regardless of the economic conditions in my community.

QI Delta Pilot 2023 is not just a venture, it's a mission. It's about targeting and empowering individuals in rural communities (and other underserved professionals i.e. non-salaried,

self-employed) areas, like my hometown of Mound Bayou, Mississippi, to embrace investing as a tool for building long-term wealth and financial security.

Investing offers a range of benefits,

- It allows individuals to contribute to their community's tax base
- Potential to transform community because of the financial capital that remains
- Beating inflation
- Thriving in less economically favourable environments.
- While achieving a modest living, even with relatively small investments.

However, I recognize the challenge of engaging younger audiences, particularly those aged 13 to 26, in the concept of investing. This is a crucial challenge to address, as financial literacy is not just about investing, but about equipping our younger generation with the tools and knowledge they need to secure their financial futures.

To address this challenge:

- QI's initiative has a goal to partner with local high schools, colleges and service organizations to offer targeted workshops. These hands-on workshops will serve to demystify investing while engaging younger audiences in simulated trading experiences using the trading platform of choice.
- In addition, we want to bridge the gap between age groups (child/parent/grandparent) and foster a culture of financial literacy and empowerment within our community.

Through initiatives like these, I'm hopeful that we can empower individuals of all ages to take control of their financial futures and contribute to the economic vitality of rural communities like ours.

Key Points:

1. Economic opportunities can be limited in rural communities.
2. Investing offers a pathway to financial security independent of local economic conditions.
3. QI Delta Pilot 2023 aims to empower individuals to embrace investing.
4. Investing provides benefits such as beating inflation and contributing to the community's tax base.
5. Engaging younger audiences in investing is challenging but essential for long-term financial literacy.

6. QI plans to partner with local institutions to offer workshops on investing, bridging the gap between age groups, and fostering financial empowerment.

Why should you listen to me or apply what I am about to teach?

In 1988, I enrolled in my first company-sponsored 401(k) plan, which was a significant turning point for me. However, I remained determined to explore additional avenues for financial growth.

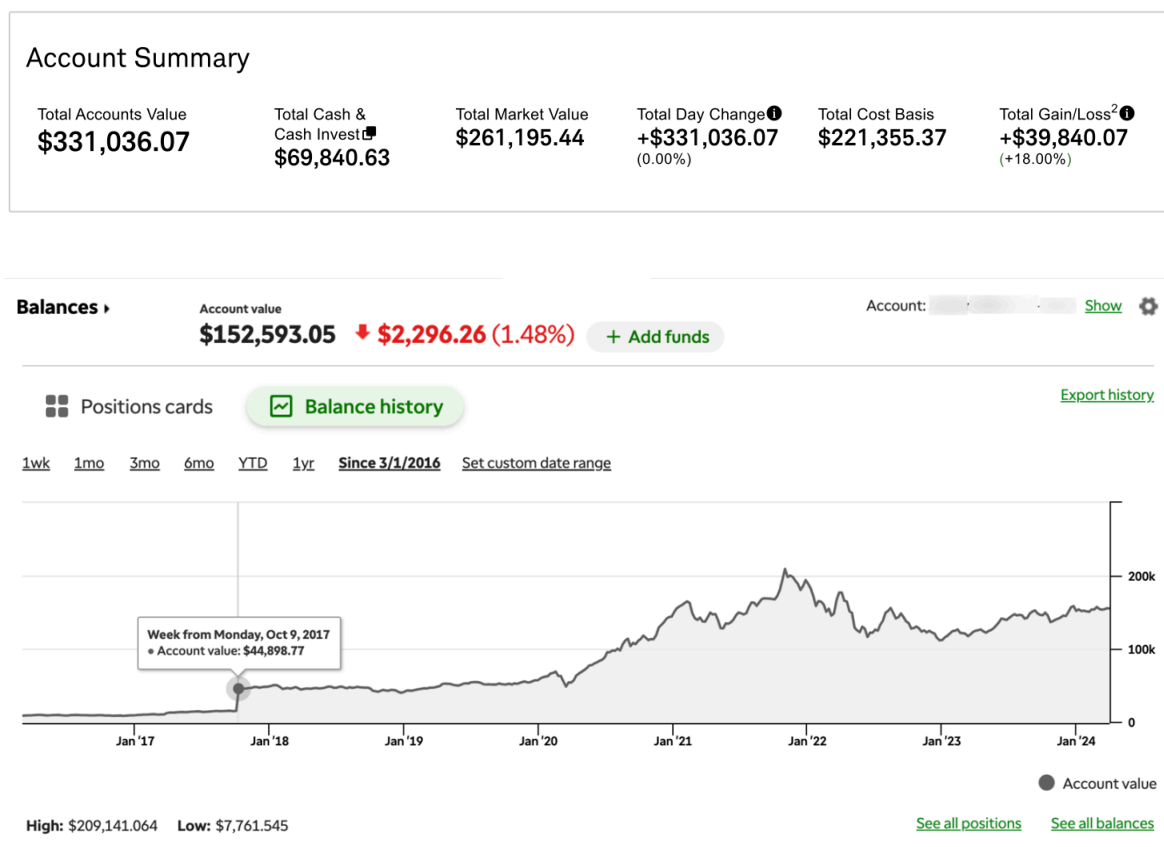
As a young adult for my family in 2001, I was always eager to find ways to boost my income and strengthen my financial footing. This eagerness, coupled with a relentless determination to find solutions, led me on a path of financial growth that I'm excited to share with you today.

Over the years, I saved diligently contributing to company sponsored 401k plans of 3% to 12% each month from 1988 to now. I also chose to take control by opening my own self-directed IRA/ROTH accounts and investing in stocks. After spending upwards of 20k on training, I was introduced to options trading and jumped in with full exuberance and ignorance, but I started. I lost my first education account of 9700, down to about 565. But there was no quit in me, I believed that it was possible.

The truth about belief, I was told, "if you believe you can, you will, if you believe that you can't, then you won't".

I took the initiative and managed two IRA accounts - one with \$98,000 and the other with \$45,000. I achieved significant returns on my investments by using strategies like Covered Calls, Cash-Secured Puts and Verticals, where I sold call options on stocks I already owned, Vertical Spreads, which involved buying and selling options of the same type but with different strike prices, and Cash-Secured Puts, where I sold put options and set aside cash to cover the potential purchase of the underlying stock. Verticals Spreads allow you to trade higher priced options by using a short position to help pay for your long position, or use a long position to cap your margin requirements (distance between Strikes minus premium received from short position).

Today, I'm excited to share updates on my two accounts. My \$98,000 account has grown to approximately \$335,000 over 13 years, while my \$45,000 account has increased to about \$155,000 in just five years.



This journey, filled with valuable insights and expertise gained from years of hands-on experience and dedicated education, is a testament to the power of diligent saving and strategic investing.

I'm passionate about sharing this knowledge to empower others to pursue their financial goals. To this end, I've created user-friendly worksheets. These worksheets were

meticulously designed, breaking down complex financial concepts into simple, digestible sections. They include step-by-step instructions, real-life examples, and interactive elements to promote understanding and engagement.

These resources are tailored to ensure complete comprehension and enable individuals to leverage the information to effectively achieve their financial aspirations.

You may ask, why should you enter the stock market?

Entering the stock market presents a compelling opportunity for individuals to actively participate in wealth creation and address the widening wealth gap in America.

As Louis Navellier aptly points out, technological advancements are contributing to the expansion of this gap, and this trend is likely to persist. I wholeheartedly agree with this assessment. By entering the stock market, individuals cannot only create wealth for themselves but also contribute to solving this societal issue.

By engaging in the stock market, individuals can position themselves to directly or indirectly benefit from the wealth-generating potential of technology and other market trends.

Those who fail to seize this opportunity may lose, as wealth continues to flow towards those who have proactively positioned themselves in the market. The risk of not investing is not just about missing out on potential gains but also about falling behind in the wealth creation race.

In essence, entering the stock market is not just about seeking financial gains for oneself; it's also about taking proactive steps to safeguard one's financial future and participate in the broader economic landscape.

By investing wisely and strategically, individuals can harness the power of the market to build wealth and secure their financial well-being in an increasingly dynamic and tech-driven world. This empowers individuals to take control of their financial destiny.

However, it's important to note that investing in the stock market carries risks, such as [market volatility]. To mitigate these risks, it's advisable to [diversify your portfolio] and [consult a financial advisor].

The QI Investing Approach – What's Strategy?

1. Open a [ROTH account](#) with 500 dollars.
2. Set up recurring contributions of a minimum of 50 dollars per month.
3. Purchase 100 shares of XYZ stock.
4. Sell Covered Call contracts for every 100 shares of XYZ Stock purchased.
5. Use monthly contributions and CC cash to buy fractional shares in a company you love that meets your buying criteria.

Finding your 1st stock to purchase 100 shares

- a. Defining the criteria for creating your watchlist
- b. Use the QI worksheet to evaluate the watchlist.
 - a. To access the worksheet, log in to www.learnwithqi.net create your profile, and get access to the dashboard.

Position Management and Trade Execution Techniques

- a. [How to purchase 100 shares via Thinkorswim Desktop](#)
- b. How to sell one option contract for every 100 shares of XYZ stocks
- c. How to set a Closing trade to take 70 to 80% profit
- d. How to set an alert for monitoring if Stock suddenly declines

Back-testing our strategy using [Thinkorswim OnDemand Feature](#) in Bi-Weekly Online Sessions!

Helpful links to help you get started with investing in the stock market

- [How to open and fund your account with Charles Schwab](#)
- [How to download the ThinkorSwim Desktop application](#)
- [Set up your desktop environment using the shared ThinkorSwim](#)
- [TOS desktops for sharing high-level indices and sector views](#)

Stock Market Glossary: Key Terms and Definitions

1. **Stock:** A stock represents ownership in a corporation. When an individual owns stock in a company, they own a piece of that company and are entitled to a portion of its assets and earnings.
2. **Equity:** Equity refers to the ownership interest in a company, calculated as the value of assets minus liabilities.
3. **Option Contract:** An option contract is a financial derivative that gives the buyer the right, but not the obligation, to buy or sell an underlying asset (such as a stock) at a specified price within a specified time period.
4. **Call:** A call option gives the holder the right to buy the underlying asset at a predetermined price (strike price) within a specified period.
5. **Put:** A put option gives the holder the right to sell the underlying asset at a predetermined price (strike price) within a specified period.
6. **Expiry Date:** The expiry date is the date on which the option contract expires and becomes void. After the expiry date, the option can no longer be exercised.
7. **In the Money (ITM):** An option is considered in the money if it has intrinsic value. For a call option, this means the current stock price is higher than the strike price. For a put option, it means the current stock price is lower than the strike price.
8. **At the Money (ATM):** An option is considered at the money when the current stock price is equal to the strike price.
9. **Out of the Money (OTM):** An option is considered out of the money if it has no intrinsic value. For a call option, this means the current stock price is lower than the strike price. For a put option, it means the current stock price is higher than the strike price.
10. **Premium:** The premium is the price paid by the option buyer to the option seller for the right to buy or sell the underlying asset.

11. **Long:** Going long refers to buying an asset or holding a position with the expectation that its value will increase over time.
12. **Short:** Going short refers to selling an asset or holding a position with the expectation that its value will decrease over time.
13. **Bid:** The bid price is the highest price that a buyer is willing to pay for an asset at a given time.
14. **Ask:** The ask price is the lowest price that a seller is willing to accept for an asset at a given time.
15. **Strike Price:** The strike price is the predetermined price at which the holder of an option can buy or sell the underlying asset.
16. **Greeks:** Greeks are a set of risk measures used in options trading to assess the sensitivity of an option's price to various factors.
17. **Delta:** Delta measures the rate of change of an option's price in relation to changes in the price of the underlying asset.
18. **Theta:** Theta measures the rate of decline in the value of an option over time as it approaches its expiry date.
19. **Gamma:** Gamma measures the rate of change in an option's delta in response to changes in the price of the underlying asset.
20. **Rho:** Rho measures the sensitivity of an option's price to changes in interest rates.
21. **Vega:** Vega measures the sensitivity of an option's price to changes in implied volatility.