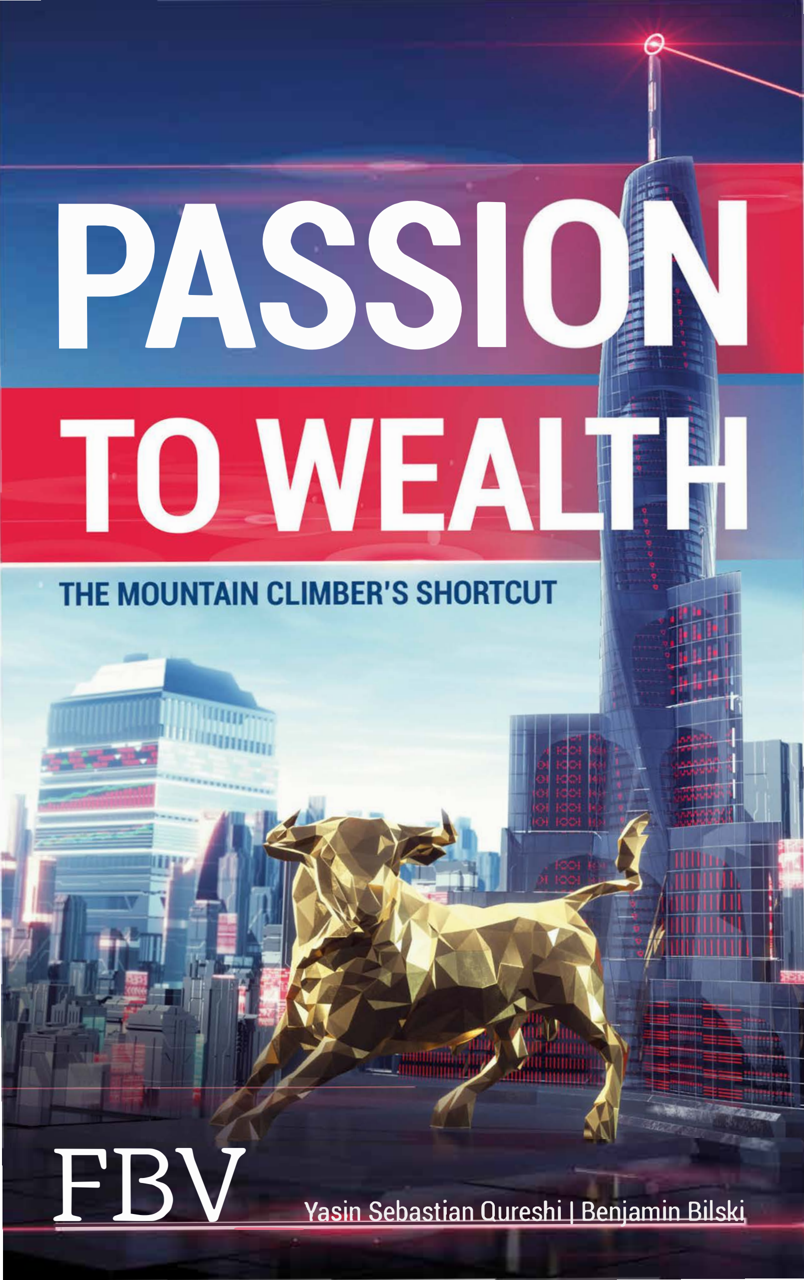


PASSION TO WEALTH

THE MOUNTAIN CLIMBER'S SHORTCUT

FBV

Yasin Sebastian Qureshi | Benjamin Bilski

Yasin Sebastian Qureshi | Benjamin Bilski

PASSION TO WEALTH

THE MOUNTAIN CLIMBER'S SHORTCUT

PASSION TO WEALTH

THE MOUNTAIN CLIMBER'S SHORTCUT

FBV

Yasin Sebastian Qureshi | Benjamin Bilski

The Deutsche Nationalbibliothek
Lists this publication in the Deutsche Nationalbibliographie; detailed bibliographic information is available online at http://d-nb.de.

1st edition 2019

an imprint of the Münchner Verlagsgruppe GmbH,
Nymphenburger Straße 86
D-80636 München
Tel.: +4989 651285-0
Fax: +4989 652096

The information and opinions have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to. The information mentioned is not intended to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The details and opinions are provided without any guarantee or warranty and are for information purposes only.

Editing: The NAGA Group AG
Proofreading: Hella Neukötter
Composition: The NAGA Group AG
Printing house: Florjancic Tisk d.o.o., Slowenien
Printed in the EU

ISBN Print 978-3-95972-193-6
ISBN E-Book (PDF) 978-3-96092-340-4
ISBN E-Book (EPUB, Mobi) 978-3-96092-341-1

Further informations are available at

www.finanzbuchverlag.de

CONTENT

Concrete tools of turning passion into wealth—for everyone (not a theoretical "whitepaper")
Play, communicate, grow, enjoy. Your passion can indeed drive your wealth, and your wealth, in turn, can drive your passion. This little book will show you how.

Author:
Yasin Sebastian Qureshi (youngest person ever licenced to run a bank in Europe)

Co-Author:
Benjamin Bilski (*Forbes* "30 under 30")

Acknowledgements

“In preparing *Passion to Wealth: The Mountain Climber’s Shortcut*, we wish to acknowledge our deep gratitude to Pascal Haller, recent graduate from the London School of Economics and Political Science and blockchain enthusiast, whose help was crucial in completing this book.”

“Furthermore, we wish to express our appreciation to Kenton Turk for his invaluable editorial assistance.”

About Yasin: Founder and Executive Director at The NAGA Group AG, the youngest person ever licenced to run his own investment bank in Europe (at the age of 29), investor, film producer, author and philanthropist. Recipient of diverse hedge fund asset management awards and trader of billions on a daily basis.

About Ben: Founder and Executive Director at The NAGA Group AG, German National Swimming Champion, serial entrepreneur, nominated in *Forbes* 30 under 30 Europe: Technology.

Introduction

This is how we turned our passion into wealth.

Yasin:

When I was a student in Germany, studying Fine Arts while being constantly broke, I desperately needed to make money. I took several jobs, amongst which one was in a brokerage firm. It was all pretty old school; today you would say it looked like "The Wolf of Wall Street made in Germany", with people on their phones and analysts with rulers on financial charts.

I didn't have a clue what a balance sheet looked like or how it was structured. I didn't know what drove prices, what economic figures were. All I cared about was making some cash to pay the bills.

These "charts"—basically lines that illustrated the price movement of something—looked all the same to me.

It turned out that many of them actually were the same. I took a few and held them against the light to see where, how and if they overlapped. And they did overlap, no matter what they were representing.

I came to see these charts as people, representing fear, hope and greed. I even drew different emoticons on them (screaming when they fell, smiling faces when they rebounded, etc.).

I started to trade based on these patterns, simply buying and selling stuff. And it worked.

I already loved technology back in the day (though mostly for gaming), so I started to automate this “holding charts against the light and buying and selling stuff” process. And it worked.

My first thought was not to use automation to make money on a personal level but rather to use it in a professional business, it was absolutely necessary. That’s why I told my boss about it. He was euphoric and obsessed with getting this implemented to make more money for clients while getting rid of rulers and papers. And so, I showed him proof of the concept.

Then I got kicked out of my job.

Anyway—I got kicked out of every single job, whether working in retail, restaurants, warehouses or even brokerage firms. You might wonder why. Because I always believed there was a more efficient way to do things. And probably because I annoyed the hell out of every single one of my bosses.

I was literally forced into starting my own “algorithmic trading business” (which is just a fancy word for “holding charts against the light and buying and selling stuff” in an automated manner). I dropped out of university.

That was the start of several multi-hundred-million-euro businesses that I created throughout the following years—as well as my interaction with incredible people, several IPOs, a stream of awards, the run-up to a banking licence... in short, the start of a fascinating and unbelievable experience and journey.

I had absolutely no industry-related knowledge or specific skills. I had less than US $10,000 to start my business. All I had was curiosity and passion, and I was willing and committed to invest time into this odyssey.

Everyone has the ability to do this.

The purpose of this book is to make NAGA's innovative opportunity as clear and straightforward, and as entertaining and informative as possible. The purpose of NAGA is to enable EVERYONE to turn their passion into wealth.

Welcome to an astounding and incredible experience and journey.

Welcome to NAGA.

Ben:

In 2002, I was just 14, and my entrepreneurial career started during my high-school internship at a blue chip trading firm. I saw a Chinese sales catalogue offering portable MP3 USB Players for 10 bucks each, while in Germany they were trading at 100. The minimum order amount was 1,000 pcs. I went home, started to look into how to set up a FTP server, how to host a simple page and constructed my first e-shop, and published my first eBay listings as well. In three days I sold the first 100 (which I even had in stock), made the down payment just after (accidentally just by doing it, I drop-shipped) and sold more than 2,000 within three months. My eCommerce spirit was born without thinking too much. I made a couple of hundred thousand in revenue—at the age of 14. And no, my daddy didn't help here. I was just interested in seeing how this works.

I had another big passion: swimming. When I was 15, I made it to the German Junior National Team and became Champion. My career path was steep, but I was a hard and obsessed worker. I made it to the National Team, became German Champion a number of times, attended World Cups and won the Bronze Medal at the World Games 2009, setting a new German record.

The big problem, however, was practising six hours a day: I had no private life and I was spending all my cash. Swimming didn't pay at all. I learnt how important consistent practice was, and that hard work is always required if you want to make a difference.

By 20, I felt I couldn't keep up with swimming anymore (no money, no honey) and yet, I had another hobby to turn to: fishing. As I felt that my MP3 player career had ended too early, I started buying and selling fishing gear in Germany. Again, all was made online. This time (it was 2008) Google Ads drew my attention, and I started to read and learn about Search Engine Marketing, Paid Ads and all that stuff. I literally disrupted all existing fishing shops that were still selling via catalogues and sold my business at 21 with a multi-million profit. Again: because I was so interested, I read a book, and then I just did it. No magic, just doing things and learning by burning.

Being 21, I was interested in how the "elite" lived and thought. I financed my private university both for my Bachelors and Masters degree. Spoiler alert: there is no secret; it is just hard work and me feeling my advantage over other people: While they grew up with cash, I made my own cash. Give a lottery player a million. He will lose it and be depressed or commit suicide. Give an entrepreneur a million. He may well lose it too, but he will try to make a million again. And again.

University did not teach me much, and social networks and mobile apps were booming. I created a social network for dog owners. It failed. I created a price comparison site for used goods. It also failed. I created an app where you could swipe left or right for fashion (a kind of Tinder for fashion). Just because of building? I knew how to write code, I knew project management, so I learned all about technology—big time. This path brought me to Yasin. He invested in my fashion app. He was a person I respected from day one. He was a man of action, doing things without thinking whether they were possible or not. He would be so much wiser after he tried, and curiosity would lead him every time to the next step, just like me.

We decided to merge our knowledge: his knowledge from hardcore entrepreneurship in finance and my product passion and tech-skills. He said: "Do this swipe thing for finance."

I didn't have a single clue about finance; I didn't even know that there was a place where people traded currencies like EUR or USD other than at an exchange office at the airport. However, I continued again with the same style: reading, doing and driving towards getting a shot at it.

All in all, this led us to creating NAGA. We had the vision, and we knew it was possible. Within two years we went public, performed an ICO and raised around US $80 million, and they even put me on the *Forbes* 30 under 30 Technology list in Europe.

Again: there were no rich parents, no help from the outside, no connections to powerful people. It was just curiosity, drive, and the passion to learn and to create money.

And lastly: it was the drive to make money and to become rich, this isn't an embarrassing one; it's a natural one, and I know, just as Yasin does: everyone can make tons of money. You just need to do it—and we are going to show you how.

Yasin:

Later on, I figured that there must be more people out there doing what I do. And whoa… there was an entire industry.

I visited them, actually I visited most of them. Some of them were residing in a basement in New Jersey, others in a castle in Connecticut with their own yacht harbour.

I started a fund by allowing investors to invest in a pool to let these guys manage their money.

I spent 15 years of my life travelling to meet these guys, trying to understand what they do and how they do it, and what the magic to their success is.

I met university drop-outs, I met people with accents so heavy that we had to write things on paper to understand each other, I met Harvard and Yale PhDs and I met bodybuilders—in short, a widely varying array of people and types. Some of these people were managing billions, some of them just around US $45,000.

I gave everyone the same time and attention, and as I came to present my own German investment bank as a potential client and investor, I got proper VIP treatment, and got to see inside their respective machine rooms.

I spent time talking to their employees, from the highest to the lowest ranks, I got them to open the bonnet and to show me the engine at work. Some of them even showed me how they tweak the engine and chip-tune it.

All these thousands of visits and countless hours of experiences and knowledge gained have been condensed into this book. What you need to know and what you can take a pass on, the indispensable dos and don'ts, the idea behind creating our own concept NAGA World, all of it.

You are about to inhale the conclusion of 15 years of interviews and in-depth due diligence and meetings and experience within the next 170 pages.

I shared all of it with my colleague, founding partner and friend, Ben. Ben tried it all out, unbiased. And he got to experience it in full effect and full force. This is what you need to succeed in the trading world.

Now we are both sharing it with you.

It looks like a mountain. But look again.

CHAPTER 1

Pro mode

1) Have you been to Harvard or Yale?

Who do you think are the most successful investors in the world? I mean long-term investors. Not as in five, ten or even 20 years, I'm talking about 50 or 100 years consistently. You're right, it's the endowments of the largest US universities. These guys have access to the best research, to the best brains, to the most exclusive information. This doesn't only go for the university itself, but also for their alumni communities. Imagine the network these guys have within politics, economics, business or anywhere. So how do you think these endowments make money? Do they bet on single companies or stocks? They actually don't. Because if anyone could predict the markets precisely and consistently, they wouldn't make billions, they'd make *trillions*. The harsh truth is that despite having the best brains, the best networks, the best contacts, the best information, the best equipment and money in abundance, these universities simply diversify. They don't put all their eggs in one basket. Their methodology is all about how to not put all the eggs in one basket, and what kind of eggs to choose.

Now, you might think that their methodology is kind of a holy grail. It isn't. All the information is actually publicly available on their websites. And no matter who tells you what, these guys are by far the best investors. You can see their so-called allocation (this means sectors, countries, markets and instruments they invest in) in their annual reports. According to a recent report, Harvard's allocation, for example, includes one quarter investment in private equity, one quarter in real assets, one third in foreign and domestic equities and the rest in fixed income, cash and absolute return (non-traditional) types of investments.

Of course, there are other funds and hedge funds that consistently make money. And guess what? These guys will also diversify and allocate their money in different baskets.

So, the good news is that you don't have to be a Harvard or Yale PhD to make money in the market. This is going to save you a lot of time—time that you would better spend, *spending* the money. The days of having information superiority to make you rich are pretty well over. The Internet has democratised information, made it publicly available, so today it's about how you apply this information and how you use it to make money.

Now, you don't need to go through all their reports and study every single one of their investments. All we need to learn from these multi-billion-dollar university endowment funds and their brains, capacities, skills, network etc., is that this network of the smartest of the smartest doesn't hold the secret holy grail of investing—they simply diversify. Even these guys hedge their bets by investing in different categories and markets.

When you diversify, try to make sure that you invest in assets, products, instruments, markets and industries that are not correlated, not connected. To give you an example: it doesn't make sense to diversify by allocating your money between Porsche, Volkswagen and BMW shares, as they're all German, and they're all in the same industry with similar products. When I say diversify in non-correlated assets, I mean using common sense to ensure that if one thing goes belly up or if—excuse my French—the shit hits the fan in one industry—the other industry is not or is as little affected as possible. Experts call this *"decoupling"*. The truth is that today's markets are all in some manner or form connected. So, it's probably true that you can't fully avoid events in one industry from affecting your investments in another. The general principle, however, still holds. Simply try to use your common sense (we know you have it) to avoid investing everything into heavily correlated industries or sectors.

This first insight is probably the most important thing to know about investing. As not even those Harvard and Yale PhDs know exactly where the markets are going to go, they simply diversify. Hence don't spend your time looking for the holy grail of investing or listening to some "Wall Street style Gandalf".

(Besides, the Swiss author and businessman Rolf Dobelli argues in his international bestseller *The Art of Thinking Clearly* that Harvard, Yale and Co. may not make their students, but that admitting top-notch students may in fact make Harvard!)

2) There will always be a next trade

Most traders focus fanatically on one trade or one opportunity. There you are: You see this particular situation in the market, you're fully convinced that the markets are going to take a certain direction. You've probably done your homework right, and you desperately want to open this trade. Or you have seen someone make money on NAGA Trader and want to copy them. (More on this later when I introduce NAGA World.) You see that this has worked, and you just want to take part in the next profit. Then something happens: your Internet is down, there's no WiFi, you missed the trade or you changed your mind last minute and you get totally frustrated that you've missed the trade of your lifetime. Or you didn't exit at the right time and you feel completely paralysed. This type of situation will blur your judgment.

What I've learnt is, no matter how good the trade is, how good the opportunity gets, there's always another trade. It's like that old saying, "There are plenty of fish in the sea."

However, our mind is wired to focus on this one trade and to mourn rather than focus on the next opportunity. This is toxic for any strategy. Try to detach yourself from individual trades. Especially as a beginner, you might think that such an opportunity will never come along again. Trust me, there will *always* be a better opportunity. Hence, economise with your money as well as with your attention, focus time on one particular trade. There are lots of traders who actually invest more time, energy and anger in a missed trade or in a trade gone wrong than into preparing for a next opportunity. Try to avoid this mistake in order to economise on energy. View it like a super athlete or a soldier who can't shoot all bullets or gets frustrated when he misses a target. One thing is certain: there will always be new, other targets.

3) Don't throw good money after bad money

A core principle related to the previous point is the fact that people actually never cut their losses. Most traders keep their losing positions open because they're simply afraid to realise a loss.

It's like this: You've entered the market and wanted the market to go your way, but the market turns against you. You've set a certain stop loss limit, but you're not willing to realise and accept the loss. So, what you do is, you give this trade "a bit more room to breathe". You move the stop down, which means you increase the budget that you allocated to the trade, because your "hope doesn't want to die; hope dies last".

As explained in the previous point, we have a tendency to get stuck in the past. Instead of focusing on new opportunities, you're literally throwing good money after bad money in this scenario. All because of this one particular trade that has gone wrong. The assumptions you made haven't turned out to be true. And as we've learned, the market is always right—there's no point arguing. But since you can't argue with the market, you simply increase your budget, and with it, the risk for a trade that has already gone wrong, and here you are, keeping it alive, keeping it afloat.

Having seen the other side of the trade, the bank, I've learnt that this is probably the cause of most "account blow-ups". People keep their bad trades open because they're afraid to face reality. It's like being in a bad relationship that's eating you out from the inside, but you basically don't have the "balls" to say what you want and feel, and to quit. So, you prefer to live in suffering, trying to ignore the elephant in the room, rather than freeing yourself by going through a temporary rocky period. There's no easy route to learning how to digest a loss, but facing it is the most important thing. You'll find that this little bit of wisdom works for everything.

It's actually pretty hard especially given the neuro-economic implications of this. Er... the *what*?

Okay, let's put it in simple terms. Imagine putting people into a CT scanner or conducting a MRI (medical imaging technique used in radiology, the one that shows those brain slices) while they're thinking, trading and reacting to price movements. When the price goes up and they earn money in the market, what happens is exactly the same as when taking cocaine. The same biochemical reactions and the same areas in the brain get activated. Traders are basically like cocaine addicts. Likewise, from a neurological perspective, when you start to lose money, you start feeling like you're on your worst cocaine withdrawal. And you want to avoid that. So, you don't accept the losses. You throw good money after bad money because you don't want that feeling of being high to go away. You've so far been making one profit after another, even if only small profits, and you can't let this end. You don't care. But if you keep throwing good money after bad money then you're just like a cocaine addict.

Just looking at the time when I was running my own investment bank, ten thousand of traders destroyed themselves like this. And this actually happens across all ages, genders, cultural or ethnic groups. It literally affects everyone. So, what you need to do is to be strong, to stick to your initial budgets and not to throw good money after bad money.

4) Once you join a team, you'll cheer for your team

One of the biggest problem is that our minds are not made to make rational decisions once we've entered the market. At this point, we basically want our team (trade) to win, just like a football fan with his team. We're unable to see things for what they are, just like when being on drugs or in love. That's the reason why you should always have a game plan before you enter the market. That game plan should consist of two basic questions:

When will I exit the trade in a profit scenario (best case) and when will I exit a trade in a loss scenario (worst case).

These are two very basic questions, but without them, the management of your "open position" and your chances of making money decrease significantly. Of course, there are variations, e.g., if you open several positions in one direction with multiple entries, you'll need multiple exit points. Furthermore, the entry and exit points in profit or in loss scenarios don't have to be static; they can be floating and or adapted to market changes. To give you an example: you might enter a market and the trade goes your way. In this case, you might move your exit point (worst case) to your entry price once a certain level of profit has been reached. This is actually a very common technique, it's called "adapting your stop to a break-even level".

In this scenario, your risk essentially becomes zero, but you can win "the entire world". It's often favourable to have such adaptive or intelligent stops to minimise your risk. However, it's important that you define the conditions for setting those limits (stop loss or profit target "limit") before you enter the market.

On a higher level, you can of course incorporate different, correlating markets (e.g., if you go long on Tesla because you believe in electric vehicles, but go short on, let's say… BMW), you also reduce or mitigate your risk in a synthetic way. Such strategies are called *spread strategies*. Rather than selling the exact same product that you bought, sometimes the sale of alternative, correlating stocks, indices or markets can be a way to reduce your risk or capture your profits, or cut your losses (or stop bad from going to worse). This might sound complicated the first time it comes around. It isn't.

Really, it doesn't matter whether you buy or sell, or when. Whatever you do, it's important to define all parameters for your worst, mid and best-case scenarios, across markets, and across trades, across your entire account before you enter the market. That's common sense, plain and simple.

5) Ration the food

While I was visiting hundreds or even thousands of hedge fund asset managers and their teams, I saw that most successful traders don't risk more than 3 to 5% of their entire portfolio on any individual trade. It simply gives you more bullets, and you have more ammunition to fire within the ever-changing market. It also allows you to be wrong sometimes. When I was running my investment bank, we analysed funds, accounts and portfolios of professional traders (hedge funds as well as those of private clients) and found that this ratio made sense. It gives you enough room to manoeuvre with sufficient flexibility when it comes to capturing opportunities or avoid being totally damaged when you have been wrong five or ten times. Where would you rather dock the *Queen Mary*, in a tiny marina or New York Harbour? As nobody knows where the markets go, rationing your money makes perfect sense, so always keep that in the back of your head.

A bit of sound advice based on having been around the biz: don't listen to "super stock tips"—or if you do, only invest amounts knowing you could lose them. But you've figured that out by now.

6) Worst drawdown can only get worse

Whenever you look at the performance history of a trader, focus on their worst "drawdown". That means the deepest and longest underwater period during their history. It gives you an indication of their style, their strategy, and of the biggest hit that they and their strategy have been willing to take so far. This is particularly important if you follow and copy different traders, rather than when opening your own trades. When opening your own trades, the worst drawdown can of course be measured in terms of how much a specific stock market dropped at a specific time, but in this chapter, I'll be talking about selecting traders to follow, or investment funds to invest in.

Even though this worst underwater period gives you an indication, do note that *this is just an indication*. The worst drawdown usually gets worse. Don't take it as the word of God, but as an indication. The worst drawdown is usually nothing you can ever determine; it can in a worst-case scenario result in a total loss, no what matter the trader's previous history or success is. If you use the worst drawdown as an indication, always add at least 50 to 100% to that and ask yourself whether you're still comfortable following this trader or investing in the strategy.

7) Other people's money is a great concept!

Most successful investors actually invest more money than they personally have. This is called *other people's money (OPM)*. OPM can be achieved through various ways:

a) You borrow money from a bank or someone else,
b) you start an investment or asset management business (this requires financial licences and often leads to the largest accumulations of money ever, examples are Threadneedle, Blackrock, etc.—all they do is invest other people's money and they literally accrue trillions),
c) you use your account's leverage, if your account actually offers that.

Think of it as a credit line at your bank.

Making debts is something very natural when buying a property. Very few people buy their property in cash (other than very successful investors like your future selves or Mafiosi, that is); most people take out a mortgage.

And this is actually what all successful investors do. All of them use one of the three methods listed above (*a, b, c*). While *b* is a full-time business that requires extensive amounts of money, time, expensive legal advice, financial licences and more, *a* and *c* are very simple routes. However, convincing your bank or friend to lend you money for your investment ideas might be a bit tougher. Having said that, getting your friends to leverage your trades is very easy on trading platforms such as NAGA Trader (more on NAGA Trader later). Everybody who autocopies you lends you money in some way, to carry out your trading strategy. Your bank, however, will require collateral or some kind of security in order to lend you money. It's not really advisable to go down that route, is it?

So, unless you want to start a career in asset management and investing (which would be by choosing path *b*), *c* is actually the alternative. It's called *leverage*. That means that your account allows you to invest more money than you actually have in it.

What does this do for you? This allows you to buy and invest more than you own. However, you need to stay and be aware of the costs that come with this capital. OPM never comes for free. (Unless you have *very* good friends). It will carry an interest cost.

Yet the advantages of having leverage are something that most investors take into account and use despite the costs, because the advantages are—when leverage is applied correctly—greater than the costs.

This, however, is only the case if you use this leverage to trade a stable, broadly diversified portfolio. Using leverage on single trades, on single positions (single bets) is something that usually leads to losses. Ouch.

Most institutions *(b)* will use credit lines and leverage in addition to OPM to increase their investments.

A very good example could be the following:

Imagine you are following one trader on NAGA Trader. In this scenario, it wouldn't be very smart to leverage your entire exposure based on that one single strategy. This will increase your risk. Leverage, however, can decrease your risk when used to invest in different, non-correlated assets (or traders on NAGA Trader).

It might sound a bit boring to keep talking about diversification—yet this is the core of every successful trading or investment strategy.

A Nobel Prize was granted for the portfolio theory of a guy called Markowitz. (Google Markowitz portfolio theory)

Just like leverage can—when applied wrongly of course—increase your risk, certain risky strategies can increase the risk of your portfolio. Markowitz however came up with a mathematical model that illustrates that even a riskier portfolio component—if non-correlated and added to an existing portfolio—can reduce the risk of the entire portfolio.

Of course, there's a point where that weighting or allocating that individual component will increase the risk (and Markowitz actually provided mathematical proof and a function to determine the best percentage of such instruments); the principle however remains that *diversification is the best thing you can do for your portfolio*. And if and when leverage—in whatever form (*a, b, c*)—is available, use it to reduce your risk and build a stable, diversified portfolio. Enough said.

8) Prepare to lose

A lot of trading strategies are actually about losing more often than winning.

It doesn't matter how many times you win or lose, as long as you have a clear plan about your overall strategy. Are you trying to monetise on tiny little movements? If the answer is yes, then make sure you win more often than you lose. Yet, most successful strategies are based on cutting your losses and letting your profits run. That means that you have to be very disciplined when cutting losses and also keep track of their size in relation to the anticipated sizes of your potential profits. Such strategies basically depend on letting your profitable positions run to make up all the money lost in the interim. A full and conscious tracking and staying on top of the relation of losing and winning trades and their sizes is crucial for any strategy. In the same way, any bodybuilder relies on tracking his food intake and the ability to manage the particular components that he needs to achieve his goals (i.e., fats, carbs, protein, etc.). Just like success in the gym, your success in the market depends on tracking—so try to set limits and budgets for the intake (losses, profits) and also factor in your liquidity. Think of it this way: trading is like running a business. You need that overall business plan to achieve the goals. Going back to the gym metaphor, do as you do (or have been long meaning to do) there: track your progress, your repetitions, as well as the weight you're pushing and how you're progressing. Achieving any kind of goal relies on solid resource planning.

Whether it's a business, the perfect body or your trading strategy: you require a budget in terms of money and time—meaning incorporating the allocation and distribution as well as changes while heading towards your goal.

9) Try to lose money and other random facts

When you do the so-called paper trading—this could be demo trading or simply putting your trades or anticipated sales or purchases on a sheet of paper—try to lose money intentionally. Yes, it sounds like the first step towards insanity, but give it a try—it's only on paper. Focus hard and try to lose as much money as you can. You'll find out that this is pretty hard. Just as hard as making money. It doesn't make any difference. There is one huge difference though: transaction costs. The best way to lose money—or in fact the only reliable way to lose money—is to simply increase the amount of trades to an unreasonable level. It's important to actually understand that neither winning nor losing is easy.

Most of your trading job involves psychological preparation. Like knowing that every winning streak will have its end. This especially refers to copying other traders, but it can also apply to your own strategy. Always be prepared for the worst. Prepare yourself for those situations so that you'll be able to "digest" them psychologically. We fear the unknown, and the unknown often creates irrational decisions. There isn't anyone who hasn't fallen into this trap at some point.

Yet the fact that every winning streak will have its end can also be applied the other way around: *every losing streak will have its end*. It's a known strategy of investors or institutions that invest in other traders or funds to enter after having a long losing streak or while still having it. (Obviously, no one can know if and when it will end). We're very often tempted to buy or invest while the particular market or manager is having a massive winning streak. That often results in us buying at the highest possible price. And then the winning streak ends, we watch the market decline—and we sell at the bottom. You can see a lot of these patterns when watching investors and traders. While figuring out whether that strategy is something to invest in, we usually follow the trend, which can make sense. My partner Stefan and I used a strategy that helped us a lot to determine the best timing to enter the market.

We always asked ourselves if a particular market or strategy is just having a temporary drawdown, or is it completely broken and needs to be discharged? So, we always separated situations, markets, managers or funds into two categories: can you still fix it, or is it irreversibly broken? Whenever it comes to timing your entry or exit points, apply this analogy. If you follow someone on NAGA Trader whose strategy works in general, who has a great track record and only circumstantial losses, then you could potentially try to buy a so-called *low* (low-priced stock). The same goes for the market.

So simply try to figure out whether the machine is completely broken or if it can and will be fixed. Like you'd do for your own car.

10) There is only so much a market can eat

A lot of strategies might work if and when they are executed on a small scale. Once you start scaling up and increasing the sizes, the strategy might not work. The simple reason for this is the following: the so-called market's capacity or the size of the *order book*. The order book shows you the sizes of different price orders and how much volume is traded within a specific instrument. If you go in too large, you affect the market. Thus, you actually move the market into a certain direction. That means that the amount of money you anticipated to make will eventually shrink, because you'll be buying at a higher price. You might even move the market enough that your entry price will exceed the price at which you actually wanted to exit. Always remember that there are a lot of people trying to monetise on market inefficiencies or trying to identify upwards movements. The more people jump on that opportunity, the more traffic you'll have at that particular entry price.

If everyone jumps on a special offer, it stops being special. Think of the rare "cool factor" tattoos once carried—before everyone and his brother got one. The same goes for markets. Once an apparent opportunity has been detected by too many people, it stops being an opportunity. This is because the markets can only digest a limited amount.

There are certain strategies (*bottom fishing*, or investing in assets that have experienced a decline, in an upward moving trend) where this is less true. But within strategies that trade on a breakout of the market from a certain price level, increased volume can be fatal… because you and your friends will start buying up your own opportunity—until you've paid a price that's way too high.

People will prey on anything!

If you're a large trader or if you have a lot of followers, make sure that you always factor in the market's depth based on the order book. This will define your capacity limit. Professional hedge funds run simulations to determine the maximum capacity for their strategy. This basically defines the volume and the size from which you can expect *diminishing returns* (profit is lower than the money invested) as a result of you moving the market. This phenomenon is also referred to as *slippage*. It defines the difference between your desired entry price and the price that's actually being achieved. But there's also another factor you need to keep in mind when examining the capacity and size of your trades: it's called *footprint*. You leave a footprint of your strategy which might expose you to other market participants. Some traders even use different execution venues or brokers to prevent this from happening because they don't want anyone else to anticipate their next move. When being extra-large with your positions, this can definitely occur. While this is more of a problem for institutional investors, you might want to be aware of it, even if only you use it to watch and understand market movements. You can sometimes see certain people coming in on the order book with certain sizes in similar situations or within similar timing horizons. Try to read these guys as if you're playing a poker game. You can actually read their hands, because people leave footprints.

11) A drop in the ocean

While I was trading together with several different people in my team, I often realised that people did very precise analytics and made game plans on where to enter the market. They were creating strategies based on buying so-called dips in the market. Let's assume the market was moving upwards and everybody agreed with the general upward trend—they would try to pick their entry point on little drops or dips while the market was moving upwards.

Now, while executing such strategies, one would usually set a limit in buying something below the current market price. If and when the market touched that limit, you would enter the market. Very often these traders put in precise limits and were waiting for the market to hit that limit. It happened very often that they missed their limit by a few so-called *pips* (smallest possible moves). And they would calculate them by how many pips they missed their entry point. They were basically fighting "pip wars". By the way, pips are the fourth digit behind the decimal point.

Now think about how weird that is: you're so obsessed with entering the market at a particular price that you miss the entire movement. Very often these traders—and I was managing some of them—came to me and said "Yasin, Yasin, the market went up 400 points in our predicted direction." And I would ask, "Great, so how much money did we make?" And they answered, "Nothing. We missed our entry price, but we only missed it by two pips." This is a typical phenomenon that occurs when you try to be too precise or perfectionist within your trading strategy. Remember that it's all about *diversification*. Rather than trying to get that one particular price, why not enter with a certain position right away? If you're right about the general movement and direction of the market, then you can always increase or decrease your investment while the market drops or increases.

This whole point goes back to the main point of managing uncertainty and this is done through—sorry to repeat myself—diversification. It's hard enough to predict the general direction of the market, so my advice is to never be tempted to predict if or how the market will hit an exact price; don't make the success of the entire game plan dependent on a few "pips". Tremendous amounts of money have been lost (by missing certain opportunities) because of trying to predict too precisely what the market might do or where it might go, even before it goes into your direction. Try to keep the prediction part as small as possible and focus on the management of the overall position. Perfectionism doesn't work when it comes to market entry prices. Or with almost anything else, for that matter.

So, whether you get in five or ten pips cheaper or not doesn't make a difference in the grand scheme of things. As part of an overall strategy, those pips (a few cents or dollars) are nothing but a drop in the ocean.

12) It's not a zero-sum game!

It's naturally true that whenever you're making money, someone else will be on the losing side. But trading is not a perfect zero-sum game where your net gain exactly equals another person's net loss. This is because of the costs involved in any trade, i.e., commissions, transaction fees, spreads, or whichever form the costs take (Yes, Mark Hanna in *The Wolf of Wall Street* didn't lie when he said that while investors take risks, "the brokers are taking home cold hard cash via commission, motherf—!").

In fact, these costs are the only predictable thing within your trading strategy. Factor them into your trading or business plan, as these costs essentially make you start every single trade with a loss. A little rule to remember: *The more often you trade, the more important these costs become*. As you can't avoid them, always keep in mind that there are no "free" trades. Your zero-sum game only starts once you have recouped that cost. Therefore, don't just open trades for the sake of it. And be aware, the odds are never 50/50.

13) Stop fishing and the invisible man

I've already explained the dilemma of you leaving a footprint once your trades reach a certain size. However, there's also a footprint that everyone leaves. This footprint comes in the form of you *stopping and limiting orders*. They're at least visible to your broker and, in order-book-based systems, also to the entire market. The market will see where you have placed your stops and limits. Now, imagine the market is at the price of 100 and you want to sell at 80. This is the protection for your position and this is the maximum budget that you're willing to lose. Let's assume you entered the market at 90 and here is your $10 budget with the sell stop to exit your position at 80. Now, while the market is having a healthy uptrend and you have as many good confirming factors as possible, some large traders might see that particular sell stop at 80 and drive the market down with their full force and size. And while they're driving it down by selling aggressively, the market might touch your sell stop and these guys will have the buying position. Now they have managed to get something very, very cheap and once their artificial sales pressure stops, the market bounces back like a rubber band. This practice is referred to as *"stop fishing"*, and some large players also call it *"rubber bands"*. It's nothing but a strategy to get stuff way cheaper or sell way higher than the actual market by using people's strength and size as well as the fact that you're not invisible.

There's very little you can do to avoid it, unless you simply set price alerts or monitor the market and write your marks when you want to enter or exit on paper—and then only when or if the market gets close to that level place your particular order (or even place it as a market order). Always remember that the market is like a basin of hungry sharks and every piece that's thrown in will be detected and potentially destroyed in seconds.

14) Predicting a person or a crowd?

When you invest, you need to ask yourself whether it's easier to figure out a person and their organisation, or an entire crowd—the market. This is referred to as *market risk* versus *manager risk*. Once you invest in different traders or even copy traders on NAGA Trader (stay tuned), you're not taking the risk of the market anymore, but you're taking the risk of a particular manager. You're basically substituting the behaviour of the crowd that you want to predict with the behaviour of a particular manager and his skills.

It's important to understand what you're betting on. Certain managers execute their strategy based on their experience. This is the same scenario when following individual traders on NAGA Trader. However, there are also managers that are large organisations run by computers and don't have that particular key person risk. People can let you down—and most of them actually will. The same goes for managers. Even if you follow some traders, try to figure out whether there's some methodology behind their trading strategy. Any strategy should depend on objective criteria and not on the trader's gut feeling. Ask yourself whether the strategy is dependent on that particular person or on an organisational structure that would be maintained without that key person. Having said that, it naturally doesn't mean that you can only invest in such systematic strategies. The opposite of a systematic strategy is a so-called *discretionary strategy*. One is not necessarily better than the other. There are certain managers that run discretionary strategies and manage billions with success sometimes over decades. It's only important that you're aware of certain differences and types of approaches that are out there in order to allow you to put them in the right brackets and assess their pros and cons.

Summation: Choose between manager risk or market risk.

15) Are you afraid to stand out? Or, The dilemma of the pension fund manager

Let's take a look at different managers and their strategies. There are basically two types of strategies: an *alpha strategy* and a *beta strategy*. The beta strategy basically tries to outperform a so-called *benchmark*. That benchmark could be a major economic index like Dow Jones index. Most strategies are actually beta-oriented. They try to replicate or basically participate in or outperform a certain benchmark. Most of the money on this planet is being managed by so-called *benchmark-oriented* or *beta strategies*. The alternative to this are the so-called *alpha strategies*. Alpha strategies (or absolute return strategies) try to squeeze out as much money from the market at any given time and in any given condition as possible.

Why do most large institutions prefer the so-called beta strategies? The answer is simple: *they're afraid to stand out*. If you're a manager of a massive fund with several billions, and you do what everybody else does, there are no consequences for you and your career, regardless the result, as long as you're as good or bad as the others. Inaction seems, falsely, more acceptable than action, even when both have negative results—it is what our friend Rolf Dobelli calls the *omission bias*. This leads to a scenario where our benchmark, let's say Dow Jones index, is at -10, but you only lost 5% and you're still a hero. You've still lost money, but you simply lost less than the others. Great.

Now let's assume that you're this pension fund manager and have billions to invest, and you choose some crazy manager and alpha strategy that's completely independent of the benchmark. You invest in this portfolio component that's not correlated and might make perfect sense and is a great strategy. From a portfolio diversification perspective, it might make perfect sense—but for you as an individual, it doesn't. The simple reason is that you have no upside at all. If you as an established manager invest in this crazy strategy, and it works out, your boss and people around you will say, "Well, you came up with a crazy strategy, but it sure worked!" However, if you *lose* money, you'll basically get slaughtered and you'll lose your job. You have no real upside at all. That's why most fund managers are afraid to try out alternative strategies. That's one core advantage of independent organisations such as universities or individuals. They're free of such political restrictions.

I personally pitched a fund that would benefit from long and short positions based on a systematic alpha strategy to several banks and pension funds in 2006, 2007, and even 2008, before the financial crisis emerged. Tons of these decision-makers liked the strategies but couldn't execute them for political reasons, or they made excuses. While the diversification of that long short strategy made a lot of money and added a lot of value to those managers' portfolios, almost none of them were able to implement them due to political guidelines or restrictions within their legal or regulatory framework, quite a problem.

It's important to understand why these alpha strategies are considered the so-called *enfants terribles* of the industry. Markets are changing, and a lot of institutions are adding such strategies as diversification strategies. But the main markets are driven by such benchmark-driven beta strategies. The advantage of this strategy is that you can pump in almost unlimited amounts of money—that's the hypothesis. In fact, every month there are managers with massive problems to allocate huge new cash flows into the markets.

Alpha strategies always have capacity limits because they encounter problems like the depth of the market, footprints, etc. That's why sometimes it's a lot harder to get into alpha strategies—some of them are closed, and some of them let in family and friends only. The really good stuff is usually kept among a closed group (just like some vineyards don't sell their best wine to the public, but only keep it for themselves).

As a result of a limited supply of so-called alpha strategies, the consistent inflow of fresh cash into beta strategies can and usually does become a problem after a certain period. These phenomena are called *bubbles*, self-fulfilling prophecies, and we've seen them at regular intervals. Again, the key is not figuring out whether you should be an alpha or beta investor, the answer is *diversification*. Just be aware that some movements in the markets might not necessarily be a result of a thorough analysis of a fund manager. Even if you see huge institutions or banks going into the market, this might not be the case. The cause could simply be that those investment brokers have pitched the hell of out of a couple of retail or institutional clients, got some fresh cash (the industry calls it *AUM*—assets under management) and need to allocate and invest them as safely as possible. "Safe" or "as good as possible" might mean something completely different for you as an investor than to a fund manager and his career.

Personally, I'm a firm believer of taking matters into your own hands, or at least, a part of them.

16) Hypnotised rabbit

One of my mentors, Michael Hutzler (he was actually the first German person ever to have a seat at the NY stock exchange right after the Second World War), said that unless you have a game plan that's written down, you'll be sitting in front of your screen like a hypnotised rabbit. You won't be able to move, work, live, nor make rational decisions. I might be getting repetitive with this, but since it's one of the most important lessons I've learnt, I can't emphasise it enough. *Write it down*. Knowing where to exit or what the criteria for the exit would be both in a profit or a loss scenario for each and every position is very important for your portfolio. Write your game plans down. Reassess them and create something like a diary. Before opening your next trade, work through your diary of profitable trades as well as trades where you lost money. This trading diary should be something that accompanies your entire trading history and activity. There's something called *cognitive bias* or a *biased memory* which skews the memories or events if and when recalled. To reduce such bias, written notes help a lot. Just buy a book—and I would suggest you really do it "old school" on physical paper. Or if you trade in a team or a group, which can also be quite helpful, have a Google Doc. Write down your game plan, define your entry and exit points for profit and loss scenarios and try to predefine as much of the management of the position (i.e., scaling up or reducing, reaction to news, extreme scenarios, etc.) as possible. Once you've closed your trades and that investment has been performed, sit down and try to write down all lessons learned from that trade.

It helps tremendously if you trade in a team. I was lucky to have my founding partner Stefan helping me—both of us forced ourselves to be disciplined, pushing ourselves to go through the trading diaries with the game plans and the lessons learnt. This little methodology of approaching the market makes a mountain of sense.

Professional hedge funds and money managers actually automate their strategies and their processes. However, prior to actually having a software or an algorithm or some machine learning component doing that work for you, you have to understand the manual process of actually creating a game plan (as in where and how to do two things: set your limits and stops, and scale up or down—and based on what scenarios or changes within the market scenarios or environment) as well as writing down the lessons learnt. Once you understand that manual process and have undergone it, you can take it to the next level and fully automate it and have a robot doing that work for you. But let that happen a little later—I deem this exercise irreplaceable and necessary in your learning, studying and training process. This also applies if you simply copy trades or follow traders on NAGA Trader, because the decision of following a trader is also a position that needs to be managed. You need to have a game plan for when to enter and exit this particular trading leader, or when to start or stop following them.

More advice from yours truly: I strongly encourage you to find friends and like-minded people to trade with. Whether you find them on the NAGA Trader app or within your circle of friends or family, always try to build a team. It always helps to have a so-called think tank and reflect ideas. Work under the assumption that everyone within the team should break the other one's thesis or theory. It's a lot easier to stay disciplined if you have to justify your actions towards someone. Everything becomes easier if it's a team effort, and so does investing and trading. It's by far the most common strategy in nature—where few strategic errors survive long.

17) Trump and Brexit

The information you read, news developments and the like, is most likely already factored into the current market price. If someone had had that information before you, you can bet your bottom dollar, that every person would have already taken advantage of the situation.

While using information to trade "news-based" is not very advisable, it's very good to use *macro trends* (large-scale, long-term directional shifts, the opposite of fads) to determine your trading decisions.

There's a saying that goes, "Your trend is your friend." Don't argue with the market. The market is always right.

Such macro events should usually be the start of your analysis. When working on establishing a trading position, try to start with the bigger picture, and then dig down. Let's take a topical example: if there's a major event like Brexit, which is—from an economic perspective—based on all the uncertainty generally perceived as being negative, you might want to start your analysis on, e.g,. the British pound, based on that first macro trend direction, which is short. After that, look into the smaller particular market movements. When looking at a chart, you might want to start with a long-term history of the market. If that's in line with the fundamental facts (in this case, with Brexit), determine that line as your first assumption. Then work yourself down to a week chart, then to a day chart. Use different time intervals during your observation of fractals (chart indicators of reversal points) to determine your trading decision. See if all these different time intervals match your general assumption. Once you get a goodly number of confirmations, you can basically start taking score for your trading signals. Are you lost? Here's an example. Let's say you think that the market is in an uptrend, and you see that being confirmed on all different time intervals and levels. You might consider that a strong signal and you might want to base the weight on that position in your portfolio. *The trend is your friend*—as well as multiple time frame confirmations, or even cross-market confirmations (movements in correlated and connected markets), which can be very valuable for your investment decisions. A lot of systematic and algorithmic strategies work based on such multiple confirmations to determine the position direction or weighting. This occurs for the entry as well as the exit of the position. While you manage the life of your position and you see that within a one-minute, 30-minute, 60-minute, and one-week time frame, and there's still the same trend in your position—e.g., if you see your position's strength and indicators changing on shorter time frames or on the macro trends (Trump or Brexit)—then be ready to make moves. And ideally have those moves predefined in your game plan. There, I've said it again.

18) Those that know won't tell and those that tell won't know

Be very careful when trading on news or when expecting news to move the market into a certain direction. The truth is that, as stated above, most information is already priced in. Someone or a particular group of people will or would have always had access to this information prior to you. So, don't ever expect that any kind of information is actually fresh or new to the market. In most cases, people would have already taken advantage of that information and positioned themselves within the market way before that information hit the public domain. As a result of this, never expect new information to have the normal, logical effect that it should have. Sometimes a company or country releases good figures, and you expect the market to rise—but then the market drops dramatically. This can have several reasons: maybe some of the guys who had the information before you are already exiting their positions. Or other people are simply trying to move the market in the other direction by having the strength of numbers. Nothing is predictable when it comes to news, figures or information. Very often one market influences the other. These effects are called *cross-market correlations*. The fact that the market sometimes moves in the opposite direction than any logical thinking would expect shows you that it's ultimately people's brains with all their basic instincts at work. It also explains that most information is already factored into the price—and indeed the news being made public is in some cases just a tool of those who are already holding their positions and want the market to move in a certain direction. Not a conspiracy theory; just a simple fact.

It is hence important to know that (a) it's unpredictable in which direction a market will move, based on certain news and the quality or the content of the news and (b) the only thing you might expect when such news come out is volatility—heavy or extreme market movements if such news is truly explosive. But even that's not a given or guaranteed. Sometimes you have what seems to be the most earth-shaking or radical news—and no one actually does anything or seems to notice it.

On the other hand, you might have totally insignificant news that is exploited or distorted by the media, and will hence lead to extreme or aggressive market movements. It's that kind of world.

All of the above shows you that you have to be very, very careful when dealing with news or specific types of information and expecting or trading on a certain outcome. The truth is that *there is no such thing as any reliable pattern here.*

Hence the aforementioned diversification, as well as a diligent management of your reserves. (The "How-many-bullets-do-I-have-because-I-know-I'm-not-gonna-hit-every-time" approach is far more important.)

So, again: diversify your portfolio, manage your positions—but never rely on news or on information.

They might help you as certain milestones in terms of the journey of the market and give you an indication, but they're nothing firm for you to base a strategy on.

Another difficulty when dealing with news at the market is that it's not just logic that's at work here. As you've seen, there's often a calculated strategy, there's the media, there's psychology, and there are cross-market and cross-news effects. So, the truth is that there's no such thing as an isolated event that can be seen as such because you always have to factor in human psychology, human strategy, logic market conditions as well as what's happening in other markets.

To make the cross-market correlation very clear, here is an example: Imagine you're buying gold in US dollars and you have a huge shock to equity markets, which in some cases leads to people fleeing to gold as a safe haven. But you're buying gold quoted in US dollars. At the same time, extremely bad news regarding the US economy or debt market is being released, and the dollar price drops tremendously. This simple example shows you that you can make a profit in gold, but if the US dollar that you bought your gold in hadn't dropped, you might have lost money. At the end of the day, that brings us back to "Harvard and Yale".

19) There is no such thing as gravity

A lot of traders look at certain markets and see it from the gravity perspective. If they see the market going up too fast and too far, they think it has to drop because there's something like gravity—you know, what goes up must come down. It's something that leaps out at us, and we think this whole thing isn't stable. While the idea that "corrections" of an overheated market situation (or, one where demand exceeds production) do occur, this isn't a phenomenon based on gravity. It simply occurs because people either get scared or try to exit positions and cash out. The ideal remedy for this gravity trap is simply to print out the chart and turn it around. Suddenly, the whole world looks different. Just because something collapsed very fast, doesn't mean it will necessarily bounce back. In this particular scenario, the confirmation of different time intervals on a particular chart might help, just as well as the fundamental view. Ask yourself, is this an irreversible breakdown of a machine—or can and will it be fixed? And is it a healthy market that has just been affected by a temporary, unpredicted hit?

20) Equipment

The Internet is a piece of technology—and technology will always have flaws. Factor these flaws in. Factor in a potential operational risk. This can be the Internet not working, running out of battery power, not having reception, or a bug in your script if you follow a systematic strategy. Whenever executing a trading strategy, you run an operational risk. Some of these risks have cost banks millions, if not billions. There is that so-called "fat-finger" risk, where someone simply put a comma in a wrong place or hit a zero too often. Neither human beings nor technology are error-proof. Trading in a team, having reconfirmations and so-called "eye principle" help. But also calculate a budget for such errors, factor this into your business plan, just like any corner shop owner who factors in that a certain amount of goods will get stolen. Even if you have a CCTV and see someone stealing, it might not help you—the goods are still lost. Same goes for technology. Trying to add redundancies and the so-called "disaster recovery plans". (This could be a spare battery or simply a friend that you can call to close positions when your Internet connection is too weak.) A very effective method is generally to keep your strategy simple and not too dependent on high degrees of precision. The more complex your strategy is, the more operational risk it usually contains—unless you're very well-structured, or almost institutional.

21) YOLO

Don't overinsure your life.

You might have heard of so-called hedges, or negatively correlated positions. Most markets that are correlated and depend on each other behave in similar ways.

But there are also certain instruments that can have exactly the same underlying instrument (the same market) but come in a different form (such as "CFD", meaning "contract for difference", future, option, or simply the same product at another exchange).

This allows you to "insure" your position by hedging it with a de-correlated or negatively correlated trade.

Let me give you a concrete example: You buy crude oil but you sell (go short) natural gas. These two instruments are quite correlated, so one being a long position and the other a short position reduces your risk. This is the basic principle of investing in different directions in order to reduce your exposure to risk. If you however overdiversify or go straight into a negative one-to-one correlation, you're basically overinsuring your portfolio—making any type of profit impossible. It is not a good idea.

An even more drastic, commonly occurring example is if you for instance go long on a particular stock but you use the CFD (derivative) to go short. Such trades will basically neutralise your own position and make it impossible for you to make money. You might as well stop trading in the first place. Such trades in negatively correlated instruments only make sense if you want to catch a so-called *arbitrage opportunity* (simultaneously buying and selling an asset to profit from differing prices).

So, this means that you might see silver traded in London at a cheaper price than in New York. In this particular scenario, you can buy London silver and sell the silver in New York. Whatever your position does afterwards is irrelevant. Everything that counts in this strategy is capturing this particular arbitrage profit (the pricing difference between London and New York, or this particular market inefficiency). Such inefficiencies can and do happen at high or low volumes at a specific market place, and can have different reasons. Strategies like this are called *market neutral strategies*. They can also consist of buying a particular equity in one country and selling it in another simply because, for example, the dividend carried by exactly the same stock might be a *gross dividend* in one jurisdiction and a *net dividend* (i.e., tax, fees and expenses deducted) in another. Hence there may be a pricing difference between two instruments simply because of two different fiscal regimes. I'm giving you this example just so you can see why the same products or instrument could have a different price. This is probably the only scenario where going long and short on the same instruments could make sense—basically, to capture an arbitrage opportunity.

Don't however make the mistake of trying to overinsure by neutralising every single risk. Every insurance like this comes with a price and a cost—and if you insure every single trade, the cost of your insurance will basically eat up any opportunity to make a profit in the first place.

But what you should do is this: go ahead and google yourself clever about arbitrage opportunities. You might even find yourself going long on one product with one broker and short the same product with a different broker. It's a very broad and diverse field, and there are many ways to make money in the markets. (And other people are doing it!)

It also shows you that not everyone who buys or sells a particular instrument has interest in the company or financial instrument rising in value. Sounds absurd? Not really. That person might just want to lock in an arbitrage profit and might not give a damn about how this position will develop. The range of motivations of market participants is extremely wide.

Thus, even if it might not make sense to you to buy or sell in this situation, it might make sense for someone else with a different motivation. To give you an example of a person that might have to buy, listen to the following scenario. Imagine a car dealer needs to buy cars in six months from the United States and he's based in, let's say, London. OK, this person could potentially buy US dollars with leverage as of today in order to make sure the US dollar price is, in a way, captured and frozen. By buying these US dollars now (maybe with a leverage of 100 and investing only 1%), he basically freezes it and makes sure that he has completely eliminated the risk of foreign exchange between his home currency, e.g., British pounds and the US dollar. Without hedging such a position, he might have seen himself faced with a decline of the GBP against the USD—and might have paid 10% more for the cars, killing what could have been his profit margin and, as a result, killing his business.

With this, I simply want to illustrate to you that it's completely impossible at certain points to determine what the market is going to do based on certain facts, news or circumstances. It's important to know that these insurances are out there, but it's also important to know that overinsurance reduces profits.

22) Carpe diem

The next point: don't try to predict the development of your portfolio or position too far into the future. Just like a business or a startup or a product release can't be predicted for too long, the same principles apply when creating a portfolio. A very good analogy is LinkedIn. LinkedIn founder Reid Hoffman said that "if you're not embarrassed about your first release, you probably released it too late". It's one thing that all entrepreneurs have in common. They start their business despite not feeling fully ready. And this is pretty much what goes for any investor. Just like with your startup, you can't have all the relevant data and comfort that allows you to be fully safe and secure and sure what to do. Hence people release something (their position) without knowing where and how the position will evolve.

The solution for Reid Hoffman's problem was "live iterations". He released a product (a position in the market), and based on the market's feedback and environment, he managed that position. The point I'm trying to make is that *a pragmatic management based on the market conditions is far more advisable than trying to predict too far into the future*. What could such iterations be: they could include changing or adapting your profit and loss targets, they could also include the size of your position. You might want to increase or decrease when in loss. Sometimes making fractional decisions can be the best decisions, rather than "putting all your eggs in one basket". This principle also applies to a single decision. You can start with a very small allocation, see how it goes and increase or decrease based on the market conditions or the news climate or whatever your checklist of indicators might be.

23) Variety is the spice of life

When composing your portfolio, make sure that its components are not all correlated. This will significantly reduce your risk. Think of setting up a football team: if you were to use eleven strikers, you might be well prepared for scoring, but your defence will be weak. Your portfolio should be like a football team that combines different skill sets and purposes. When choosing the components of your portfolio, you can of course again refer to investment reports of foundations like Harvard or Yale, but you should also simply make use of your common sense. Based on your risk appetite and your investment goals, you should try to invest in instruments that are as independent from one another as possible. Try to think of a balanced diet. Or use the example of the football team where your goalkeeper and your defence would be the supporting elements—maybe blue chips (large major corporates) or bonds, and your middle field would consist of *mid caps* (companies with market capitalisation of $2 billion to $10 billion) mixed with a couple of exotic or potentially high performing *small cap* companies (generally $300 million to $2 billion), currencies or commodities. You'll notice that a colourful mix of friends or football players with different skill sets and purposes is just like diversification in finance. This approach will achieve far better results than relying on a single component, friend or football player that service exactly the same need and purpose.

24) Never give someone your credit card without setting a limit!

While is it not advisable at all to give someone your credit card anyway, you basically give every single trade or investment in the market your "credit card". You should therefore set a limit on your card. Such limits are called *"stop loss"* levels. They define how much you'll allow that position to spend on that particular "shopping spree". Every single investment should have such stop losses, which define the worst hit you want to take. Both from studies as well as from my own experience, most asset managers don't exceed a level of 3% of their total net worth per trade or bet. Entering a market without setting a stop loss level (this level doesn't necessarily need to be placed as an order in the market—but it has to be set by an alert and rigorously followed) is like going on a suicide mission. Be very careful when changing your stop loss level. Ask yourself, "What has changed to make me change my mind and give this particular investment a larger budget?" Of course, it's advisable to reassess the situation. However, even the rules and procedures for reassessing a new stop loss budget should follow strict procedures and predefined rules. If not, you might get caught supporting your own team a little bit too much. Reassessment is great, but make it part of a general exercise and set certain limits. Just like an employer should reassess his employees on a frequent basis and ask them if they would hire that person again—and if the question is no, then they should get rid of the employee—the reassessment of your portfolio should be a daily routine. Reassess your portfolio based on the positions' development as well as the markets, the indicator and the general environment. Create something like a checklist to go through to reassess the positions you entered, and see if the boxes that made you enter that position are still ticked boxes. It doesn't matter what approach you choose—the most important thing is that your approach should be objective, systematic, and consistent. Smart as a whip, cool as a cucumber.

25) God's world order?

In the world of finance, there are hundreds of rules or indicators derived from physics. They have exotic names like "Fibonacci retracement" and "Gann Lines". And these mathematical functions basically define certain levels of markets where certain reactions are supposed to happen. As said, they're derived from natural sciences like physics and also occur in other disciplines. And they can look quite beautiful as graphics. But the basic idea is that these rules also apply in the markets because the markets are (predominantly) created by human beings or the machines they've programmed. With our brain being a “biological computer”, it seems pretty plausible that such rules also apply to the markets.

Many people apply such technical indicators or functions to determine at what point markets will turn, or when they’ll find resistance or support. Very often these trigger points determined by functions like Fibonacci or Gann actually work, and a lot of trading strategies use them as a foundation. The idea behind it is that there is such a thing as a “world order”.

The question however remains: are these phenomena that we experience in the markets actually driven by behaviour embedded in the “subconscious” of the market and its participants, or are they nothing more than a self-fulfilling prophecy?

Technical analyses and the aforementioned indicators and functions are used by thousands, if not millions of people to determine where the markets might go. The market’s participants also program their trading robots or software to follow these functions or indicators, or at least to take them into account. Hence, they work simply because a lot of people follow them.

The problem, however, is to determine *when or for how long or in which scenario they will work*. It would be quite reckless to fully ignore such functions or technical analyses because very basic things such as trend lines and support and resistance lines are used to some degree by every trader. Such levels that experience a lot of traffic or touchpoints automatically become psychological benchmarks. They serve the same purpose as “round figures”. Price marks such as ten thousand or hundred thousand are “technical indicators” and self-fulfilling prophecies by nature. People don't ignore them. Even though they don't mean anything in the economic development of a company or market, they gain importance simply due to the amount of people following them. Be aware of that—very often the quantity of something defines its quality. This is quite similar to a terrorist or revolutionary leader becoming legitimate or legal once he has enough followers, supporters and gets into power. Just like the terms "terrorist" and "freedom fighter" have merely linguistic differences and are often purely defined by the quantity of people following them, technical analyses and functions like Fibonacci retracement and Gann Lines serve exactly the same effect on the markets.

So, what should you do? Learn them, study them and be aware of them but *never rely on them*. They should simply be one part of your equipment and tool set to conquer the markets.

26) Call of Duty vs World War 2

Most providers of trading experiences, platforms, products or services offer you what is called a demo mode to try out. You're basically trading with play money. You might have a good time and make valuable experiences and even make money using the demo mode. However, I should warn you, trading on a demo account is totally different than trading with real money—even though the prices and costs are exactly the same. While trading on a demo is very helpful in teaching you the tools and techniques, it doesn't give you the same experience and feel as trading with real money.

You instinctively know this already. Just like playing a war or ego shooter video game is never the same as being on the ground in a real battlefield. You might be very good at hitting your target within the game using a virtual gun, but when faced with the fear of injury and death, your decision and skills will differ significantly. Just as closing your eyes is very different from actually being blind. I am using these radical examples because trading with real money has a very strong effect on people. Never expect your state of mind and level of "sanity" to be the same when trading with real money. The psychological effects are severe (see "Don't throw good money after bad money" above). This is why it's important to have a game plan and a strategy with predefined characteristics of planned entry points, exit points and stop loss limits before trading with real money. You might be very successful in demo mode, but these results will in most cases be highly deceiving.

There is a difference in this between genders: men and women react extremely differently to incentives or threats when it comes to trading the markets. MRI scans have shown that when men are provided with monetary incentive, their frontal cortex gets literally bypassed, and all decisions are made by the limbic system—i.e., rather than using the logical part of their brain, they're using the "animalistic" part that's usually responsible for fight, flight and reproduction. These are just facts that you should be fully aware of when making that step from demo investing to live trading. If you're a man, that is.

As I explained above, positive incentives (the expectation of making a lot of money) can be as dangerous, misleading, deceiving or blurring to your judgment as negative threats, such as the possibility of losing money.

Always think about what you would be doing when going from *Call of Duty* into an actual war zone when making the transition from a demo to a live account.

27) Nurture or nature

Traders or investors often focus on the entry point of a trade. This means they're obsessed with determining the right time or price to enter (see "pip wars" above). The truth however is that the exit of the trade and the management of the open position is far more important than the entry into the market. I'm not saying that you shouldn't focus on the entry price, time or point, but make note of the fact that it contributes a maximum of around 50% to your strategies' success.

Why is this?

Successful trading never depends on a sole trader, but merely on the success of a diversified portfolio. Therefore, you'll have many winning or losing trades. Studies even show that some investors are successful by simply flipping a coin whether to go long or short (whether to buy or sell a specific market). After that, they just manage the lifecycle of their positions.

I've used the example of nature and nurture to illustrate that it can be a lot more important how you nurture (how you manage) than with what kind of genetics (tactical disposition) this trade has been initiated with. The initiation of the trade can of course contribute tremendously to your success; however, studies show that there are traders who even use randomisers (flipping an electronic coin) to decide when or into which trade to enter a specific market. Like closing your eyes and picking out lottery numbers.

Even if your entry point might not be optimal, you can still be extremely successful by simply applying a disciplined “upbringing”, disciple, management for your open trades.

This is called money management. This is where you decide on when to even stock up on a certain trade. Even if it’s going against you, or while it’s working for you and running into a profit. This is where you decide which trades within your portfolio get how much “budget” (where you set your stop loss) and where you set the target for the “education” or “career goals” of your “children”.

So even if your entry price timing or point doesn’t have the best genetics by nature, don’t give up—your nurturing and raising and upbringing of this trade, especially if a group, can still make the difference between a hugely profitable or losing portfolio.

This also illustrates the necessity of having sufficient bullets to achieve your strategies, having targets in order to allow you to rectify or nurture your first trades and being able to apply successfully learnt lessons on your following trades.

28) Invest in teams

Whenever we invest in two different traders, we're not creating a portfolio. I've never tried to master a single market, as it simply does not work (as discussed previously). Diversification is the "name of the game". When investing in a fund, I naturally looked at its performance and the numbers, but more importantly, I take a very good look at the team members.

In this particular way, trading or investing doesn't differ from what a venture capitalist (VC) does. VCs have exactly the same problem as traders: they invest in something that's very hard to predict.

Luckily, we have analytical tools such as *DocSend*. These tools try to approximate what these VC companies look for when investing in a startup. It shows you how much time they spend on which company slide. Now, every business has a slide with presentations, and as you might expect, VC companies tend to spend most of their time looking at the financials, the performance. The team slide which presents the company's unique combination of skills and characters only is secondary.

What I noticed is that the team and the people that the company consists of are far more important than anything else. You may have a brilliant strategy—but with a very bad execution team, it will fail. Now take a very bad strategy, but a brilliant execution team—what do you think will happen? Right, they'll work on the strategy and transform it into one that does work. I've experienced exactly the same phenomenon when investing in teams of traders, which in such a case is not very different from a startup team.

Even if and when their initial strategy was not as great as they thought, great teams have always been able to work on the strategy and make it work. They have proven to be able to adapt to changing market conditions. My final piece of personal advice therefore is *try to really understand the people behind a company or a trading strategy and identify what really drives them.*

CHAPTER 2

The secret

While I was running my own investment bank, I was also running my Fund of Funds, i.e., investment vehicles ("funds") that invest in shares of other funds ("of funds"). Interestingly, NONE of them succeeded forever. Everyone and everything has its shelf life. If they consistently made money, it's because they changed and adapted their strategy (see "Invest in teams"). Things change—that's the nature of things. This doesn't mean that nothing works. The secret is that "everything" makes sense at some point in time, but not all the time. The key is to figure out which things make sense at which moment in time. I would give every single dollar I ever made to perfect this skill.

Try to figure out what works at what times.

When you acknowledge the principle of ever-changing paradigms and conditions, you'll reach the conclusion that your goal should be to design or create tools to allow you to analyse when conditions, paradigms or general patterns change, rather than figuring out the mechanics of a market.

There's a multi-billion-dollar industry out there that is trying to create systematic or algorithmic trading. They analyse tons of data to identify patterns in the market. To see how the market behaves or reacts to certain information, principles and data. They try to find correlations between data and market movements and execute or invest money based on that. The problem is that a lot of these "tragedies" are "curve fitted". They only apply to a certain market because they have been made to fit that particular market. They're literally fitting the curves.

A very good indicator in determining whether a model has simply been designed on the basis of a historical market movement rather than having discovered a universal pattern, is the simplicity of that trading model.

Indicators of a good model are its simplicity—something simple usually can't really be fitted to a curve—but also its robustness: does that particular logic, system or correlation only work in one particular market, or can the exact same model be transferred to another market and still work? Scientific testing also works this way. The idea is to try to find something universal.

Many different methods are used and applied to see whether something is universal. You can test a particular pattern by looking at its outcome. Let's say you have a "sideways market" (i.e., no distinct trends) with many touchpoints at the top, and after the breakout, you expect the market to rise. Let's then take that pattern to another market. Test it. Then let's take a different time frame, and test it in a so-called "out-of-sample" environment. Try to confront that particular logic that you think has a certain output with as many and different scenarios as possible. Just like a car manufacturer will test a car prior to rolling it out. They'll expose it to extreme heat, cold, wind and snow. The problem with financial markets of course is that these conditions are not predictable. You can do as much testing and simulations on historical data as you want, the reality usually turns out to be different.

To assess potentially unknown scenarios, you can perform what are called *stress tests*. Banks are obliged to perform such tests. These tests basically assume almost unrealistic drops of markets and then see how the portfolio or model behaves towards them. You don't have to do this with precision and a cluster of hundreds of computers and AIs. You should just work out on a very high level what would happen to your positions or portfolio in the event of another crash, a 9/11-like event etc. That can be a bold figure, but prepare yourself for such scenarios. See what would happen if the S&P (or "Standard & Poor's") index (it's based on 500 top companies' market value) dropped by 70%. Make your scenarios as crazy and unrealistic as possible. You can't predict what will happen anyway.

So, the secret is trying to assess what the extreme and unknown could be, and then applying it to your portfolio. Once you've reached a certain level, you'll be able to determine what condition or market paradigm we're currently in. This should be the goal—not trying to predict a certain market or manager. The assessment of the current market paradigm, conditions or pattern is the higher level that governs how effective any of your strategies, models, systems or investment functions will be. This assessment of current market conditions follows the same approach, no matter whether your analysis is fundamental, technical or a macro analysis. And you should use the same approach when assessing a single position in your portfolio. Just like you set certain stop limits and targets for individual trades, your particular portfolio and your account, you should do the same when trying to figure out general market conditions, patterns and paradigms. Good managers spend more time on this than on determining every single position or entry point for hours. Ultimately, these managers know that the overall result is a mixture of (a) the assessment of extreme future scenarios—also called *fatales,* (b) the ability to determine the current markets' condition paradigms pattern, and (c) a consistent and sustainable risk and money management strategy.

In some way, trading is like baking a cake: everyone can have flour, sugar, milk, cinnamon, etc., but very few people will become world class patisserie owners. It's about the quantity, allocation and the order of doing things. And of course it makes a difference whether you bake something in a humidity level of 0% or 90%.

CHAPTER 3
The NAGA World

Now we want to go beyond just sharing knowledge.

Strange thing, a little frustration with the status quo and a desire to see things finally move ahead can be wonderful partners, the one-two punch to kick-start something more than the sum of its parts.

In our case, the two led to us into teaming up to create a sphere—a world, if you like—where you won't have to keep hitting your head against a wall that needn't even be there. How to make all the experience, ideas and innovations accessible to all, giving them light and air to grow even more?

We have built an open world—**NAGA**—for you to apply every single way of making money that has ever worked for us.

We, and more than 100 people at NAGA, have worked day and night for the last three years to create this world. To make the application and wealth generation easy and instant, we've added direct links to relevant features that allow you to immediately test-drive it and make money.

What we've done is to build the most versatile, powerful and creative platform, with the most functions and functionalities ever to let you turn your passion into wealth. Any objections to that? Didn't think so. So, let's dive in.

Making money in the **NAGA World** is possible—hard though it may be to believe—even without investing a penny. Here are the three ways:

a) Invite friends on any platform
b) Use the demo mode and successfully complete the tutorial on NAGA Trader
c) Play games and sell items on NAGA Virtual

So, based on your preferences or personality, you can already choose one of the above: are you the social type, do you like numbers and business, or are you a gamer?

Now how does this earn you money? Each of the aforementioned activities will generate you NGC—**NAGA Coins**.

What, then, are NAGA Coins? The NGC is a currency, simple as that. Just like the USA has the US dollar, the NAGA World has the NGC.

And you can use your earned NGC to literally do anything:

Invest in Apple stocks, investment funds, bitcoins, etc. You can then liquidate your investments and convert them into euros or US dollars. The balance will be credited to your account. You can do whatever you want with your money. You can even load up your NAGA Card with it and use it to shop at Amazon or Walmart, or to pay for your ride with Uber.

Sounds too good to be true? You might wonder then where the catch is. There isn't one, and what you just read is merely just the beginning of surely one of the most phenomenal things ever created. There are hundreds of additional ways to make money, to leverage your investment or even become a hedge fund manager!

The NAGA World is real, live, and it's regulated. Hundreds of thousands of users are already using it every day. NAGA went public on the Frankfurt Stock Exchange within record time and with a multi-hundred-million-dollar valuation.

And this is what we built and visualised:

a) NAGA Trader—the “Mega Shopping Mall”
b) NAGA Virtual—the “Gaming Heaven”
c) NAGA Exchange—the “Crypto Heaven”
d) NAGA Wallet—The “Central Railway station”
e) NAGA Academy—the “University”
f) NAGA Brokers—the “Bootcamp”
g) NAGA Partners—the “Embassy”
h) The NAGA Coins are the “roads” or “veins” that connect everything and transport the blood and nutrition to all relevant venues
i) NAGA Card—the “Port”

The NAGA World is an ever-growing universe that will continuously build new venues to construct a more open world. NAGA Local, a peer-to-peer currency exchange platform, NAGA Guard, a cryptocurrency rating agency, NAGA Stocks, a physical stock trading platform, are all in construction and will soon make the NAGA World grow further.

Now, let us guide you through this new world!

And don’t forget, we are here, we are everywhere… and there for you—contact us any time on the Telegram NAGA Coin community chat or via e-mail.

CHAPTER 4

Requirements

At this point you might still be wondering what the catch is. You might be wondering what special requirements, skills or qualifications are needed to join, to get citizenship in this fantastic **NAGA World**. It's a good and fitting question to ask, and it already demonstrates a good judgment on your part.

In fact, it's very simple: all we ask you to bring is your time, attention, and passion, and to register for an account, of course. You don't need any particular skills, knowledge, qualifications—in fact, not even money.

The NAGA World is the most open world out there. And it's the only space that gives you real money without even having to invest!

CHAPTER 5

NAGA Trader—Making money by or when…

The world of finance is a mystery to many of us. We may marvel at its beautiful complexity and its shining ivory towers. Or, we may look at those same elements with disdain and mistrust. But we all know that it wields great power over us. It has made many of our fellow countrymen rich, and elevated countries into top-performing economies. But we also know that it can break us. In 2008, financial markets crashed—and with it, some of the things that we hitherto took for granted. Some of the knights of Wall Street shut their doors, and some people were left on the street. At the same time, we still saw many people stay within the same institutions that shut their doors driving around in Ferraris, taking private jets, and living the kind of life that many of us dream about. If you have seen *The Wolf of Wall Street,* you know what I'm talking about.

Like Jordan in *The Wolf of Wall Street*, many of us see the world of finance as an opportunity to escape a boring and rather ordinary lifestyle. To live what is often called the American Dream (wherever you may be). Or simply your dream. You may want to make money to achieve financial freedom. Or, who knows, to show off to bullies who pushed you around at school. Or simply to pay the bills and finally be able to afford a home of your own for your family.

Sadly, many will quickly realise that once they attempt to enter the world of finance, they get stuck. You may start looking at charts on Bloomberg and read articles on investopedia.com, and then ask yourself, “Now what?” You might not fully understand how these guys are making money. Or how you can be a part of it. Maybe you realise that you don’t actually care about interest rates, the going rate of USD to JPY, or feel any passion for studying financial charts in your free time after work, because all you want is to make some extra money.

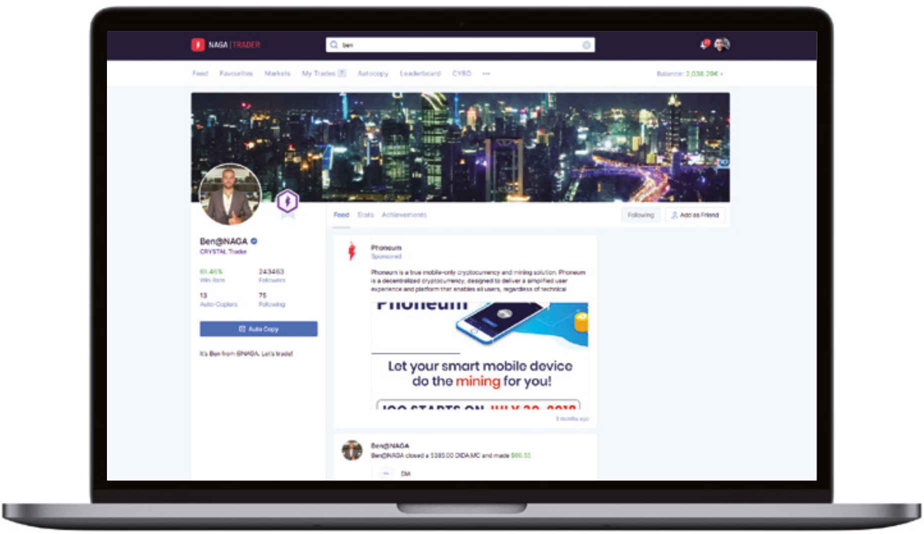
Luckily, the NAGA World has been designed in a way that gives you the chance to make money no matter what your level of knowledge is or what your personal passion is. Your passion doesn’t need to be in finance and investing. It doesn’t matter whether you know everything or nothing about finance, or whether it interests you or not. Any motivation is legitimate.

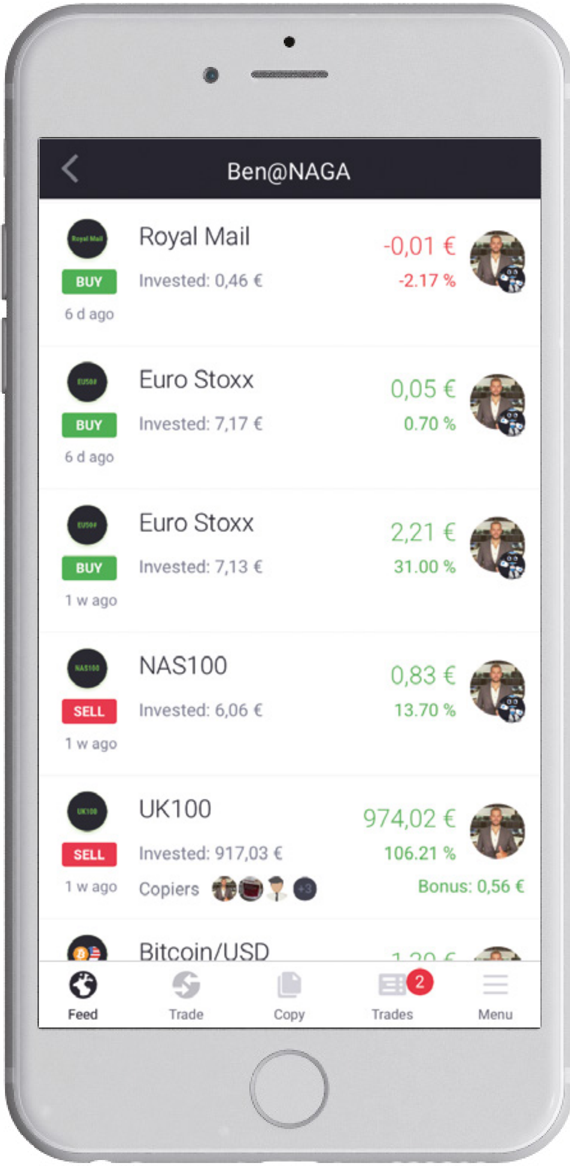
NAGA World engineers have launched **NAGA Trader** as a social network designed to allow everyone to enter the world of trading and investing. The NAGA World has made financial markets as accessible as Tinder or Facebook. NAGA Trader is a cross-platform application, you can use it as an app on iOS or Android or you can use it in your web or mobile browser. It’s a network where experienced traders meet inexperienced ones. Where winners meet losers. It allows everyone to connect with and learn from anyone. You can meet top traders who are making a few thousand dollars a week. Or you can meet the casual trader from your neighbourhood who's having a tough time and looking for advice. You can simply copy what the big guys do; you can literally copy their success. Or you can test and apply your own knowledge and get bonuses when others start to copy and follow you. You can immerse yourself in the world of trading with ease and enjoyment.

1) Making money by "stalking" people

"Stalking" has gone mainstream. Not the "creepy person following you on the street" kind of stalking, "Facebook-stalking" or "Instagram-stalking", or that stuff we all do on our laptops or phones after meeting that cool person in a coffee shop or after meeting that weirdo on campus. But this doesn't earn you money. How can you turn "stalking" into money? As mentioned before, NAGA Trader is a social network for trading. A social network for people who want to make money, rather than just share pictures of their pets or their physiques. With NAGA Trader, you can check out ("stalk") the trading activities of the people in your vicinity or of that guy or gal you just met at an event. You can check whether they're making any money, what they're investing in, whether it's worth "connecting". You can follow or add them, get updates about their activities through the news feed, have a chat, meet up, learn their strategies or simply copy their trades. NAGA Trader is the only social network where you can turn "stalking" into money.

To check out user profiles on NAGA Trader, simply click on any face that you see in the feed, on the radar or on the leader-board. Just like on Facebook. You can see where they're from, what their win rate is, how many followers and copiers they have, what their recent trading activity is, and what is their overall performance. You can add them, follow their trades or auto copy directly. It's as easy as that.

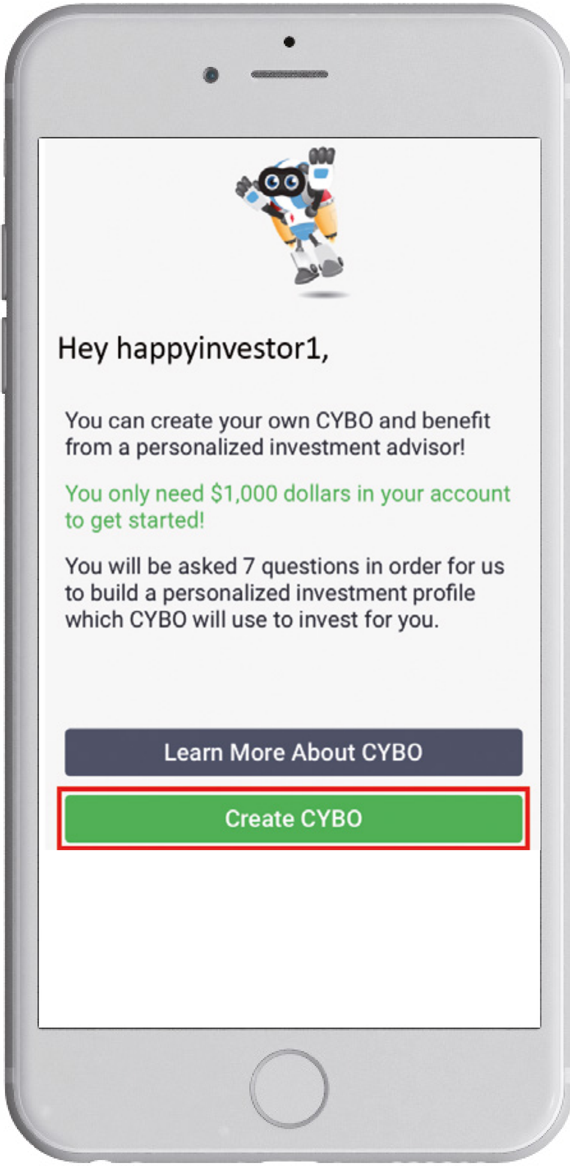



Ben@NAGA
BUY
6 d ago
Royal Mail
Invested: 0,46 €
-0,01 €
-2.17 %
BUY
6 d ago
Euro Stoxx
Invested: 7,17 €
0,05 €
0.70 %
BUY
1 w ago
Euro Stoxx
Invested: 7,13 €
2,21 €
31.00 %
SELL
1 w ago
NAS100
Invested: 6,06 €
0,83 €
13.70 %
SELL
1 w ago
UK100
Invested: 917,03 €
Copiers
974,02 €
106.21 %
Bonus: 0,56 €
Bitcoin/USD
Feed
Trade
Copy
Trades
2
Menu

2) Making money by letting a robot work for you

Have you ever thought that in the future robots will be doing the work for us? Well, guess what, the future is already here. And it's not just the wealthy and the investment banks who can (and do) use the newest technologies. You can actually get your personalised investment robot and potentially earn more money by doing absolutely nothing. Just feed it with some capital, give it initial instructions, and then sit back with a nice drink and relax. You can instruct NAGA Trader's inbuilt robo-advisor, **CYBO**, to invest and grow funds on your behalf. CYBO will start investing based on a few questions that you answer about your investment timeline and risk appetite. CYBO learns and optimises returns over time using artificial intelligence and machine learning.

You might ask yourself how a robot could ever replace a human as an investor. Actually, there are "robots" everywhere. Algorithms, software, programmes to help investment banks invest, to help you park your new car without banging into that bin, to keep your washing machine from overheating, any one of a great number of things. It's not about humans being worse than machines; it's rather about machines being better at some things than humans. As you have seen in Chapter 1, the human mind is actually wired to act with bias or to act irrationally once it enters the market. To not cut a loss to avoid feeling the burn. To become greedy and jump in at a high price. A robot takes the emotion out of trading, a decided ad-


Hey happyinvestor1,
You can create your own CYBO and benefit from a personalized investment advisor!
You only need $1,000 dollars in your account to get started!
You will be asked 7 questions in order for us to build a personalized investment profile which CYBO will use to invest for you.
Learn More About CYBO
Create CYBO

vantage in such matters. It's unlikely that a robot will be making more money than an experienced and successful trader, but *it is likely to perform better than the average emotional trader.*

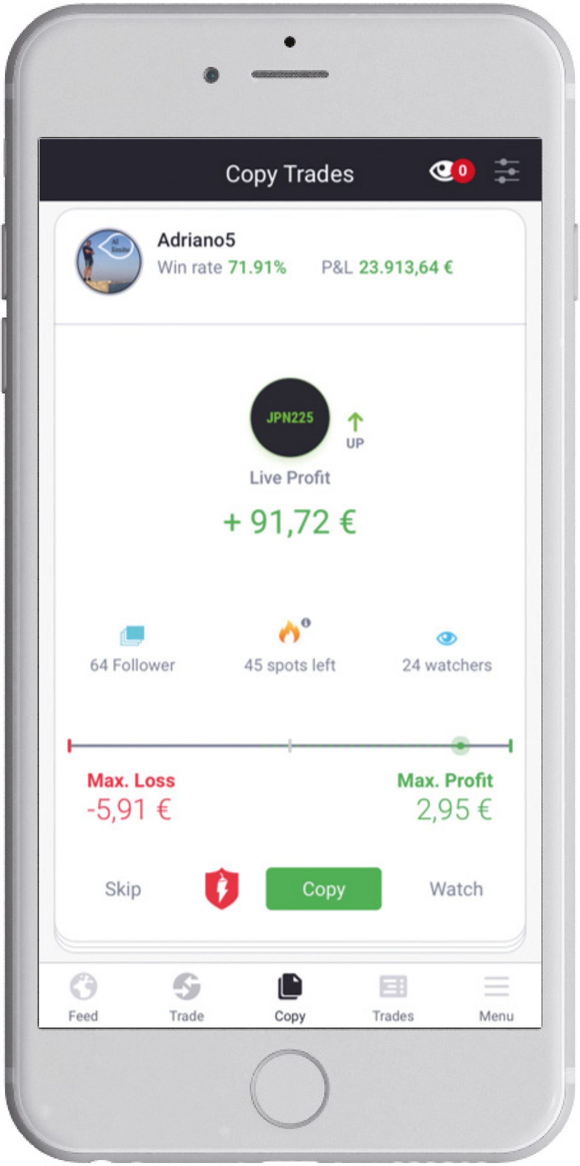
Here's how you set up CYBO: simply go to the **"CYBO"** section in the main menu, click on **"Create CYBO"**, answer a few easy questions and your personalised robot will start serving you. Note that CYBO needs a minimum of $1,000 as initial deposit in order to be able to diversify and optimise risk exposure sufficiently.

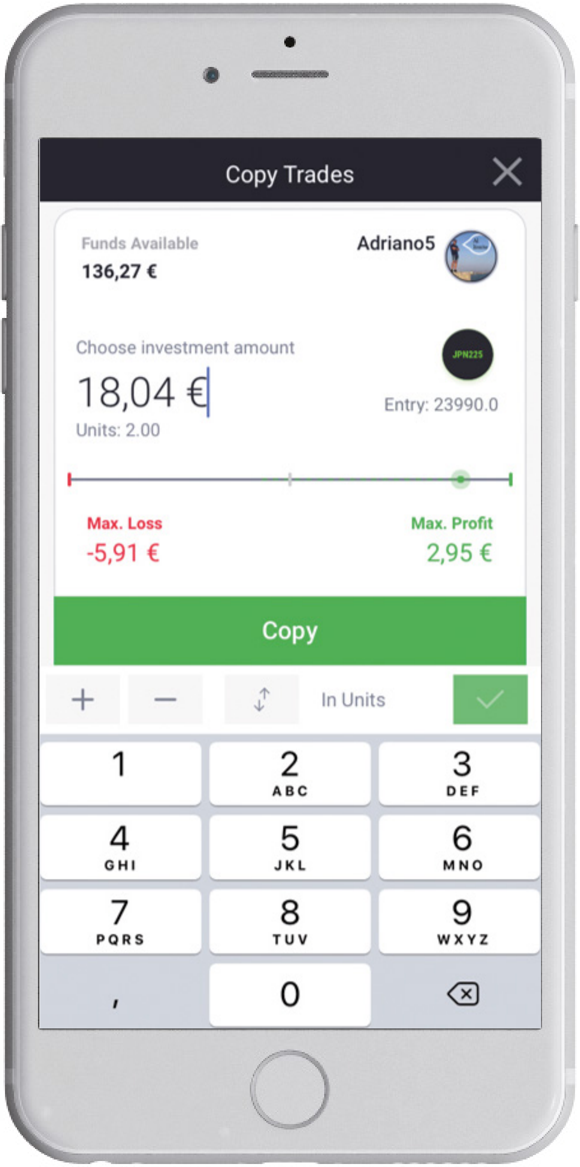
3) Making money by piggybacking on other people—casual sex, dating, marriage and polygamy (single trade, single auto follow, multiportfolio auto follow)

Let's be honest. There are many people out there who probably know more about the financial markets than you do. You may be new to the field or you may have focused on other instruments. Or someone else has simply spent 20 years of their life studying and sleeping with charts. No problem at all. NAGA Trader allows you to copy whatever these guys are doing. Just like with relationships, you decide who you want to meet. You can decide how much and how you would like to interact. And how much or how long you want to commit. NAGA Trader follows the same principle. You can copy a person on a one-off basis to try it out. If you like it, you can copy again or even start automatically copying all of that person's trades. You can set a fixed amount or a ratio of your money that will be used for copying. You don't need to be faithful; there's no penalty for "cheating". You can simultaneously copy as many trades or traders as you like. And if you're not satisfied with the results, i.e., the performance, or if you simply need to take your money out for whatever reason, you can stop copying at any time. Or if you disagree with the actions of the trader you copied, you can close any open trade by yourself.

To get started with casual encounters, go to the **"Copy"** section at the bottom menu. This will open up a screen with trade suggestions. You'll see the initiator and his or her win rate (= percentage of profitable trades closed by that person). You also see the live P&L (= profit and loss) of that ongoing trade. You can then choose to copy that trade or not, based on your impression. You can simply swipe to the left if you dislike the trade or to the right if you want to copy it. Like on Tinder. Except there's no need to wait for a match. Your perfect trade or trading partner is within direct reach. If you don't like the swipe function, you can also directly click on "copy" or **"skip"**. Or if you aren't sure yet, you can follow the trader first to get to know him or her a bit better before putting in your money.

If you feel good about a trader, perhaps after having copied a few of his or her trades, you can get going with *auto copying*. If you want to auto copy one of your friends or one of the traders you already copied from, all you need to do is to click on his or her profile and click on **"Auto Copy"**. To auto copy people without having a lead, you can use the radar function or simply go to the "Auto Copy" section in the main menu. This will


Copy Trades
0
Adriano5
Win rate 71.91%
P&L 23.913,64 €
JPN225
UP
Live Profit
+ 91,72 €
64 Follower
45 spots left
24 watchers
Max. Loss
-5,91 €
Max. Profit
2,95 €
Skip
Copy
Watch
Feed
Trade
Copy
Trades
Menu

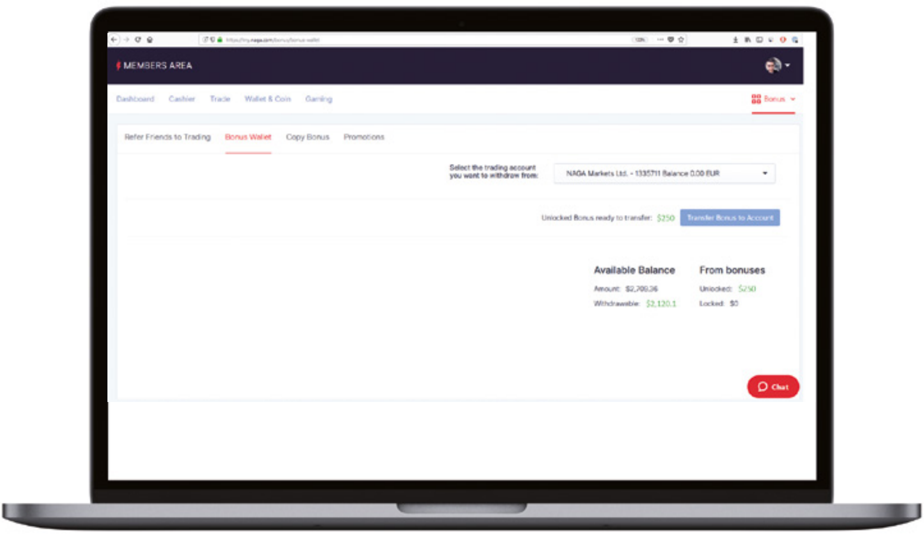

Copy Trades
Funds Available
136,27 €
Adriano5
Choose investment amount
JPN225
18,04 €
Entry: 23990.0
Units: 2.00
Max. Loss
-5,91 €
Max. Profit
2,95 €
Copy
In Units
1
2
ABC
3
DEF
4
GHI
5
JKL
6
MNO
7
PQRS
8
TUV
9
WXYZ
,
0

open up the leaderboard section—a ranking with the most successful people. This is a good starting point to find people you might like to copy or follow, since it visualises people's success in numbers. *Voilà*.

4) Making money by being popular, cool or entertaining

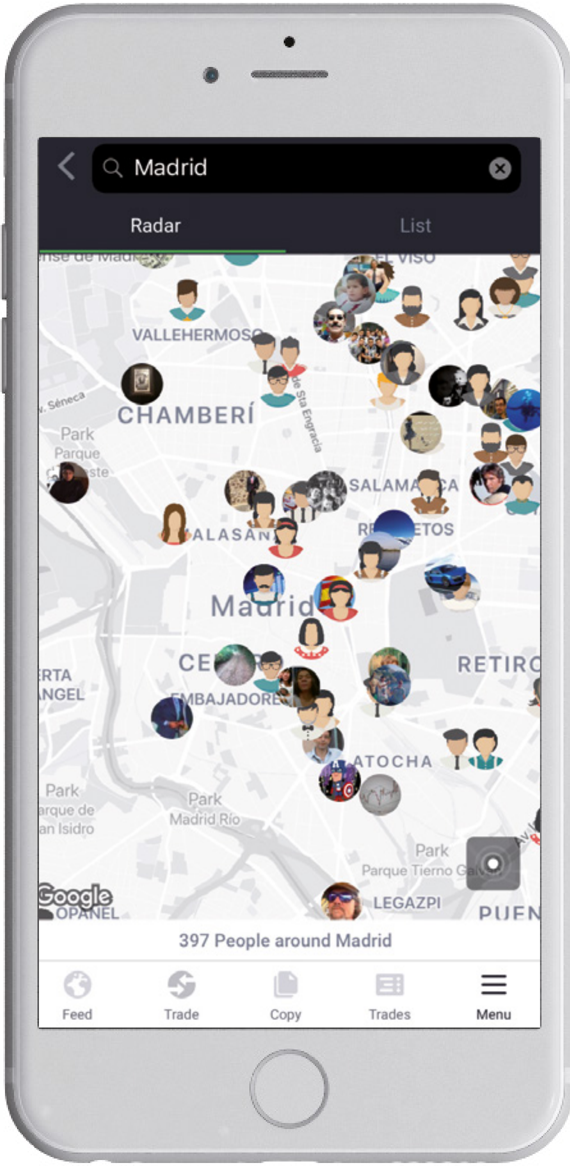
What kind of person are you? Do you have a large network on your campus or at your workplace? Or do you have a follower base on social media or YouTube? Maybe you don't care about social media, but you're a person with good social skills that people listen to or who can make people laugh? This means that you have access to one of the most valuable resources of our century—attention. People nowadays are bombarded by millions of posts, advertisements and spam from every possible direction. If you've been able to get people's attention, or at least a decent part of it, you can easily use this to make money. You can refer friends to join NAGA Trader and earn one-off bonuses. If you have a large follower base you can also go sign up for the NAGA partner programme. Or you can go **pro mode** to become a trader yourself and generate a continuous revenue stream by getting other people to follow and copy you.

If you want to get people to follow or copy you, you need an attractive profile. Just like on any social media, the more visually appealing content you upload, the better. Upload a good profile picture, a cover picture, add a short description and set a funny or intriguing title. You can do all this by clicking on your picture in the main menu and then on **“Edit Profile”.** And above all, start generating successful trades. You’ll get notified once somebody copies you. For each person copying a successful trade from you, you’ll get a bonus on top of the trading profit. To check out how many people are following you and how much money you have made, refer to the **“Bonus Wallet”** section in the main menu. It can all go surprisingly fast.



5) Making money by scanning your “hood”

Sometimes we prefer to work with people which are close by. Vicinity is an advantage. Your intuition might tell you to


Madrid
Radar
List
VALLEHERMOSO
CHAMBERÍ
SALAMANCA
Madrid
RETIRO
EMBAJADORES
ATOCHA
Park
Madrid Río
Parque Tierno Galván
LEGAZPI
397 People around Madrid
Feed
Trade
Copy
Trades
Menu

connect with and meet a person long before you follow their trades or strategy.

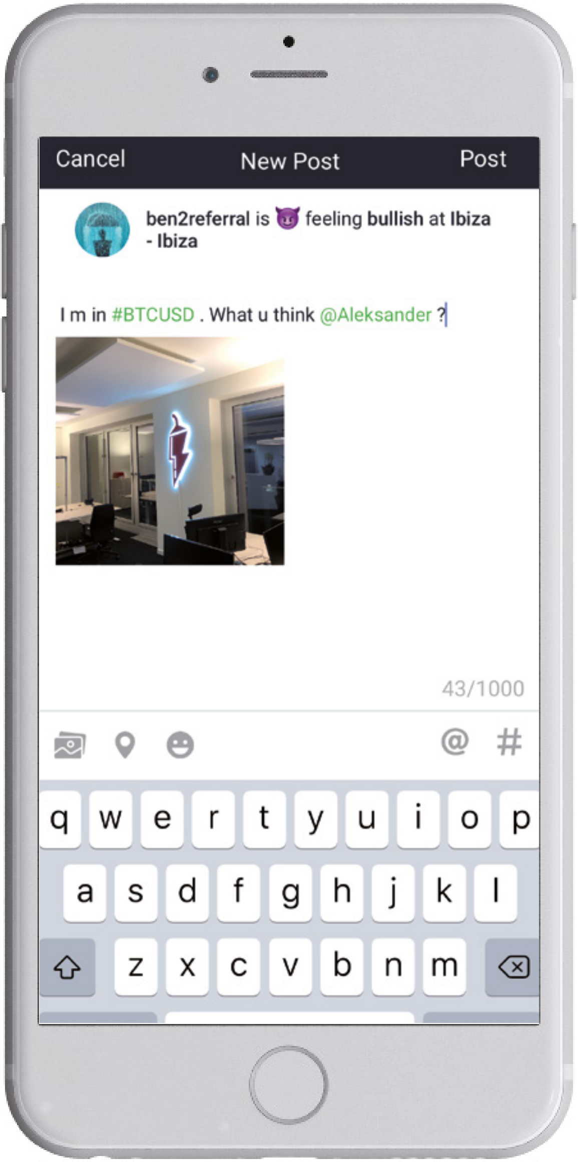
Scan for successful traders either by checking out the map or go to the list view and searching for people close to you.

NAGA has developed a radar. Instead of looking at technical indicators, you can simply scan your vicinity, your “hood”, and connect with the people around you. You’ll be surprised how much people in our community care about others. (If we look at statistics, it seems that almost everyone likes to connect, share and exchange opinions.) Meeting up for a coffee, getting to understand how they make money, or simply copying what they do, this is how you can learn from them. It usually works both ways. Something to remember: contacts only hurt those who don’t have them.

Start little groups, exchange experiences, get better. All banks and hedge funds (funds speculating on credit or with borrowed money) have their “analyst meetings”. Copy what the best guys do and you’ll earn what the best guys earn. And the good news is that you don’t have to go to a boardroom, but can have your personal “analyst meetings” in your favourite pub. A way of doing what bankers in fact do, but in a warmer, non-corporate environment.

6) Making money by posting

Chances are that you use social media and post photos, memes, links or status updates. You might be used to uploading hol-


Cancel
New Post
Post
ben2referral is feeling bullish at Ibiza - Ibiza
I m in #BTCUSD . What u think @Aleksander ?
43/1000
@ #
q w e r t y u i o p
a s d f g h j k l
z x c v b n m

iday or gym pictures or even simply cat videos and GIFs. Imagine you would have a whole network of people posting their ideas about the next stock that is going to go on a bull run. Imagine being inside one of the old stock exchanges where people would be shouting across the floor what they would like to buy and sell. Or, imagine that instead of seeing a picture of your friend in a fancy car on Twitter, you would see a picture of someone in a fancy car with a post that says "just shorted Apple" followed by the ability to check out transparently how that person has actually been trading. Find out what other people think and trade to benefit from a pool of ideas. Or contribute to the pool and attract more followers for your own copy bonus.

NAGA Trader created a platform where traders can post just like on Facebook with location tags, pictures and people but with additional features made for the trading world. People can directly tag any financial instrument (i.e. Apple stock, USD/EUR exchange pair, Bitcoin, etc.) in a post as well as any associated emotion such as "bullish" or "mooning". This is an absolute new in the world of social media as well as in the world of trading.

7) Making money despite having little money

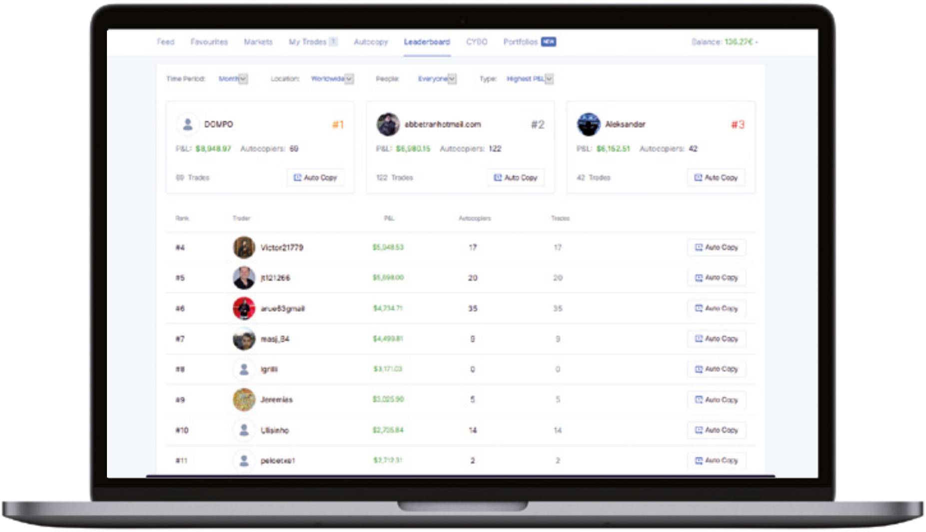
Have you got any extra money sitting idly or other money that you're willing to experiment with? The good thing about NAGA Trader is that you don't need large sums to start trading and investing. Here, the concept of other people's money comes in—we all buy goods and services on credit with our credit cards, we buy houses using mortgages, or we take out loans for cars or business ideas. While surely it wouldn't be a good idea to take out a bank loan to start investing in stocks or forex (foreign exchange), it's very common in the world of trading to multiply the usage of small funds that you invest via something called *leverage*. Leverage simply means that you can invest in *positions* (the amount of a security, commodity or currency a person or entity holds or owns) that are larger than your funds. This means that you could trade Apple stocks that are currently valued above 100 per share with a mere 100 of investment. This allows you to effectively play big with small money. Sounds too good to be true? Of course, you can also lose money more quickly if you open larger positions. That's why the platform has also integrated **NAGA Protector**, which gives proposals on each trade to limit how much this can happen with automatic stop-losses. This will make sure that you'll never lose more than you're willing to risk. And you can never lose more than you invest. More investment tips on this topic are included in Chapter 1.

To fund your account, just click on the big green button "**Fund Account**" in the main menu section. You'll then have the option to fund your account via credit card, bank transfer, e-wallet or with cryptocurrencies. How to set NAGA Protector will be explained in more detail under "Herding cats", as it specifies how to manage your portfolio more generally.

8) Making money by admiring people

We all have idols and people that we look up to. Some of you might admire successful and innovative entrepreneurs like Steve Jobs or Richard Branson. If you're interested in investing or trading, you might admire Warren Buffett or George Soros. Maybe you read books about Warren Buffett, as you're interested in making some extra cash. You might think, "If only I were notified whenever Warren Buffett opened a position." No need. NAGA Trader makes it easy to make money off successful people. Simply use the platform's leaderboard function to find successful traders within seconds. You can see who the best traders are and who's made the most money. You can then connect, copy or learn directly with or from them. NAGA Trader puts successful people within your reach. You see their investments in real time.

Here's how: click on the **"Leaderboard"** section in the main menu and you'll be redirected to the platform's "board of success". Here, you can view the most successful people all in one go, or see the ones who were most successful today, last week, last month or the top earners of all time. You have nothing more to do than click on anybody's profile to check out details, to follow, to chat or to copy. Instant inside track.



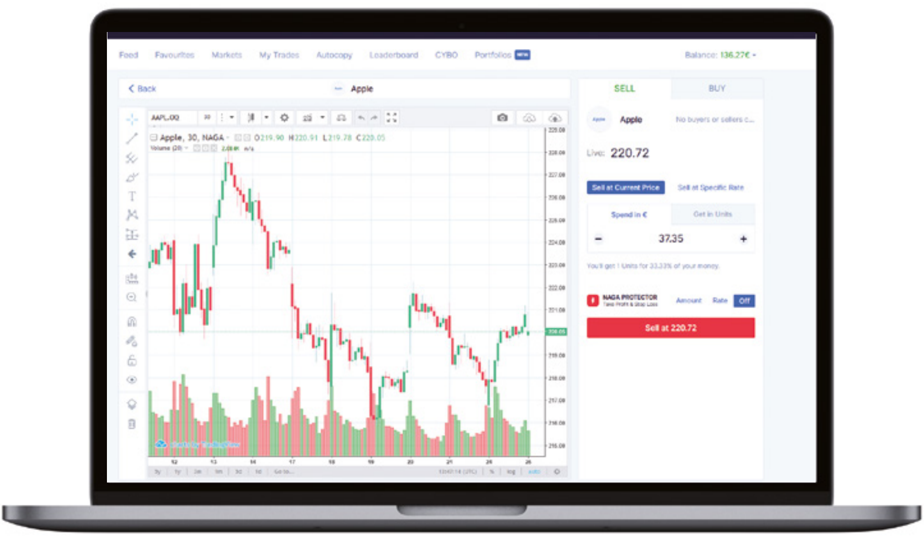
9) Making money by understanding people

Crowd behaviour can be fascinating. You may have found yourself sitting on the train and observing crowds of people waiting on the platform or streaming towards an exit. You might see a homeless person desperately trying to get people's attention and being ignored. Or you might be startled by people's often passive-aggressive behaviour when it comes to getting to the exit and finally making it back home after work. This is a great material for YouTube clips.

But know this: *financial markets are also crowds*. Crowds of people buying and selling all kinds of strange products. You can observe the crowd by looking at price charts on NAGA

Trader. Try to understand the reason behind a certain price slump or hike, and try to attribute price movements to emotions. If you get a feeling of why the "crowd" might be fearful or when it might be greedy, you can easily capitalise on that emotion.

On NAGA Trader, you can view the price chart associated with any stock or financial instrument. The ups and downs on the charts often show you people's emotions. A slump in the price of Blackberry in June 2018 as a result of the company's quarterly results indicates people's fears about the future performance of the company. The huge price hike and subsequent drop of bitcoin indicate an array of people's emotions—from high hopes of getting rich and flying to the moon to the realisation that maybe the price can't rise forever. Try to under-



stand what people feel when real-life events happen. You can then rise and dive with the price movements on the charts. It won't hurt in your private life, either.

10) Making money when Trump or Kim go crazy

We live in an unruly world where political leaders like Donald Trump or Kim Jong Un seem to enjoy regularly threatening each other (and maybe even threat us in the process) with nuclear obliteration. You can tremble or laugh at such apparent insanity, or you can make it work for you, financially speaking. If this seems absurd, remember that this is precisely what top investors have always done and continue to do. Every time politicians lose control or go haywire, the market does too. When North Korea fired a missile in August 2017 that flew over Japan before dropping in the ocean, stock markets in South Korea, Japan, the US and Europe all reacted with a significant drop in value. And it doesn't even have to be something of an important political nature. The whims of celebrities (e.g., reality TV star Kylie Jenner going off Snapchat after its redesign, leading to a $1.7 billion drop in Snap's market cap) can do the trick, too. Rather than simply fret about the future or consume tabloid news, you can take advantage of such moments of panic. Ride the momentum. This is also called *Momentum Trading.*

With the North Korea example, you could theoretically have *"shortened"* (predicted a drop-in price, borrowed shares, sold them and bought back for less, keeping the profit) major stock indices and made a lot of money. Or you could have *"gone long"* (predicted the price to rise, got stock and profited from its rise) on gold, which tends to do well during periods of market fear. Of course, when using Momentum or "news-based" trading, it's important to note that by the time the news comes out, the market will most likely have already factored in a big part of that price movement, as there are always people out there getting the news before you. However, it can be a good starting point to begin looking at a trend. Often enough, a news item is only the beginning of a trend, so you might want to think about whether this piece of news will continue to weigh on the market, or whether there might be a rebound. Here for example, you might think about the US' reaction to North Korea. Depending on the US' response, the markets could jump again. Or if you consider the panic reaction in the market is just temporary, it might make sense to go long on those stock indices—they might well recover as North Korea's missile is sinking to the bottom of the sea.

The best is that you can simply follow the NAGA Trader newsfeed to get regular updates about such opportunities to capture market fluctuations. Next time you read about Donald Trump insulting Kim Jong Un, you can thank him for giving you a chance to make money.

NAGA Trader aggregates a great array of relevant financial news—news that we might call *market-moving news*. This significantly eases the somewhat tedious task of scouring various news sources. The platform's newsfeed is the landing page when you open NAGA Trader. It can also be opened by clicking on the **"Feed"** section in the menu. You can scroll through the feed and read articles that are of interest to you. A cool feature inside every news article is that you don't need to predict or search around to find out which stock or instrument is being affected by this. Below every article, you can directly see any relevant trades, as well as their recent price movement. Momentum Trading couldn't be simpler. Why not get at least *something* good out of the inevitable roller coaster ride? Catch momentums and start trading.

11) Making money from people buying petrol cars

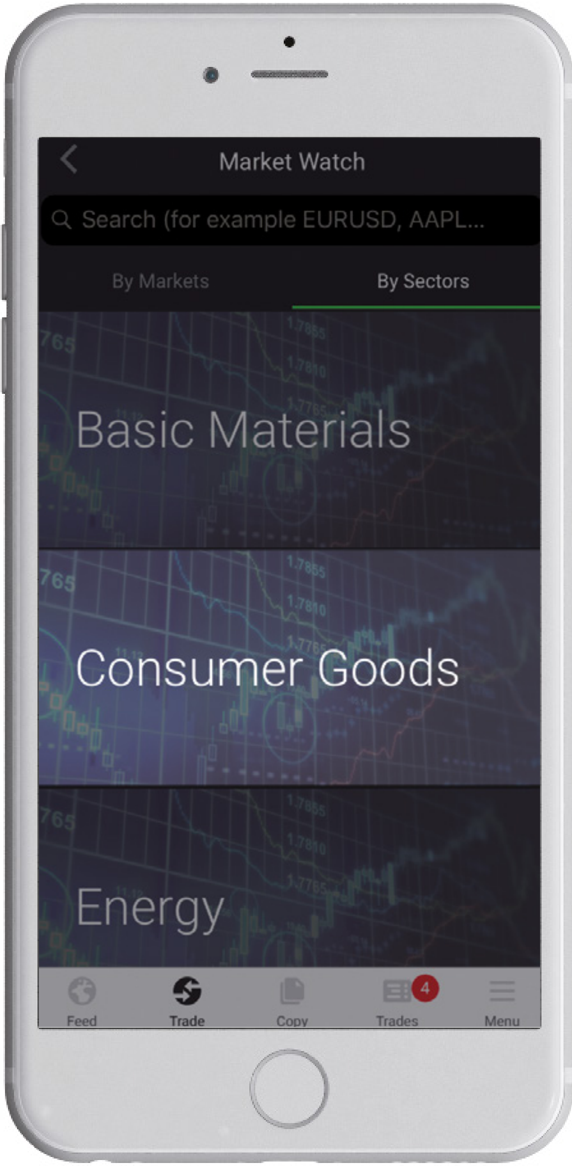
Car sales are rising, maybe because the government has just recently announced a decrease in sales taxes for domestic cars. Or maybe it is because of the people's favourite TV star who told them to get a new car. Whatever the reason, this can be good news for you. More car sales probably mean an increase in the share prices of Volkswagen and Toyota. You could ride the wave by going "long" on some stocks on NAGA Trader. Or you might very likely not know which stocks to get, so you might want to simply increase your exposure to an affected industry segment. This might also be smarter, since you are effectively diversifying and spreading your risk.

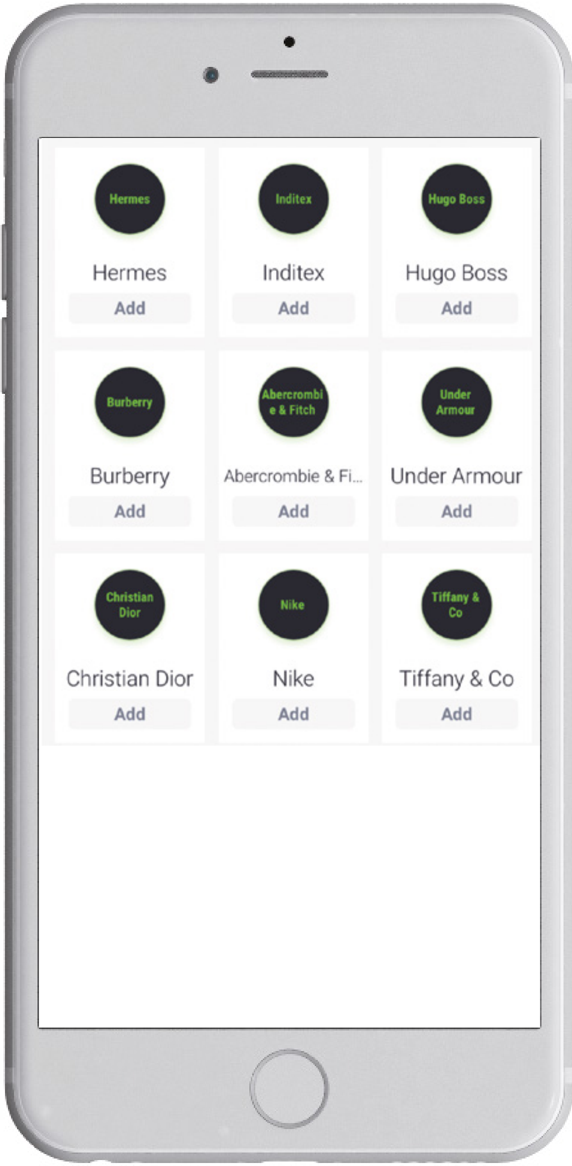
NAGA Trader has made it easy for you to gain exposure to an industry. So taking the example of petrol cars, you might, for example, want to gain exposure to the oil & gas industry. More cars, more demand for oil. NAGA Trader has a "**Portfolios**" section that allows you to select a portfolio basket to invest in. A minimum investment is always given, since your funds need to be allocated accordingly. This is a great way to gain a healthy and diversified exposure to a winning industry sector. You can also use "Portfolios" as a starting point to make diversified investments based on your risk appetite or sector preferences.


Oil & Gas
20.28%
MMM
14.35%

12) Making money when people buy things

A new iPhone model release, the Christmas season, Black Friday or decreased social security charges, or Burberry finding a cheaper manufacturing location in a new part of Asia and generously deciding to share those cost-savings with you. Basically, anything that makes people buy more things is actually good for you. While others are spending money, you can make money by jumping on those consumer stock prices rising.


Market Watch
Search (for example EURUSD, AAPL...
By Markets
By Sectors
Basic Materials
Consumer Goods
Energy
Feed
Trade
Copy
Trades
4
Menu


Hermes
Hermes
Add
Inditex
Inditex
Add
Hugo Boss
Hugo Boss
Add
Burberry
Burberry
Add
Abercrombie & Fitch
Abercrombie & Fi...
Add
Under Armour
Under Armour
Add
Christian Dior
Christian Dior
Add
Nike
Nike
Add
Tiffany & Co
Tiffany & Co
Add

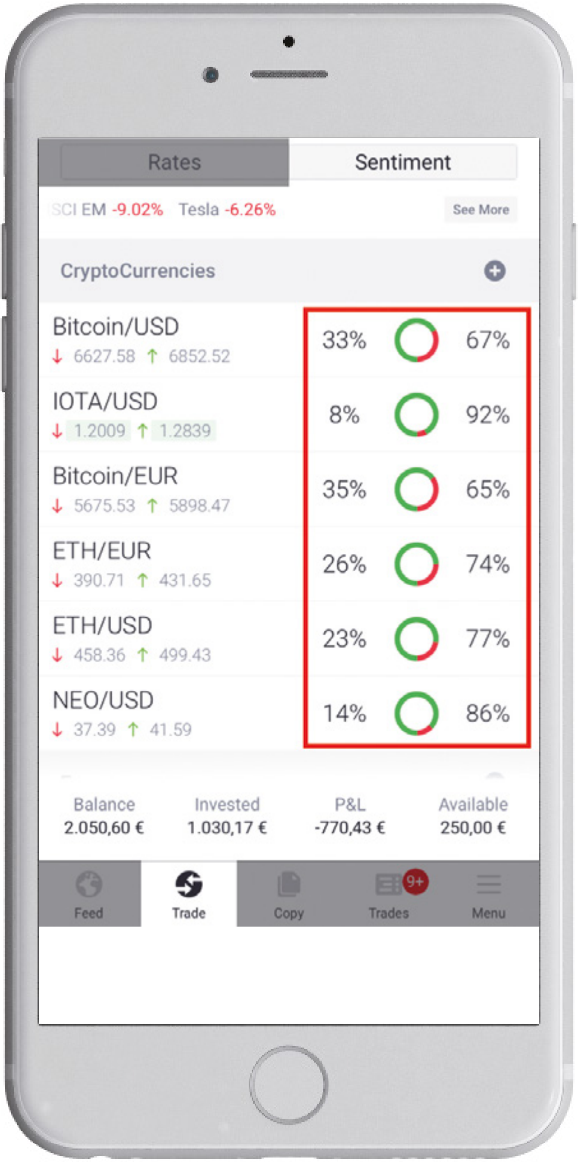
13) Making money based on the mood

Many market movements are driven by sentiment. If a politician makes an adverse statement, the market may go down because investors fear negative consequences on sales and profits. But if nothing has actually happened, it's just a sentiment. Or if some major investors start feeling optimistic about a company share for whatever reason, they might start buying more stocks. This upward price movement might create a positive sentiment in the market for that stock simply as others will pick up on that signal, thinking, "If other people are buying, there must be a reason." This shows you that the overall market sentiment might be a good indicator of where prices are heading. Sometimes, however, it's difficult to figure out what the market sentiment is before it's reflected by significant price movements. NAGA Trader has incorporated a feature which tries to capture market sentiment by simply looking at what other traders are doing. It shows you the overall sentiment and the percentage of traders opening positions each way. This may be a good estimation of what direction the market might be moving towards, and thus help you decide in what direction to trade.

Accessing this feature is quite straightforward. You only need to click on the **"Trade"** section at the bottom of the screen, then select **"Sentiment"** (as opposed to **"Rates"** at the top of the screen). This will tell you how many people think it's rising (percentage on the right and graph part in green) and how many people think it's falling (percentage on the left and graph part in red). In the example on the next page, it looks like the market feels quite optimistic about the price of cryptocurrencies, with those believing that major cryptocurrency trading pairs (trade between one type of currency and another) are going to see prices rise making up from 67% to 92% of the investor base.

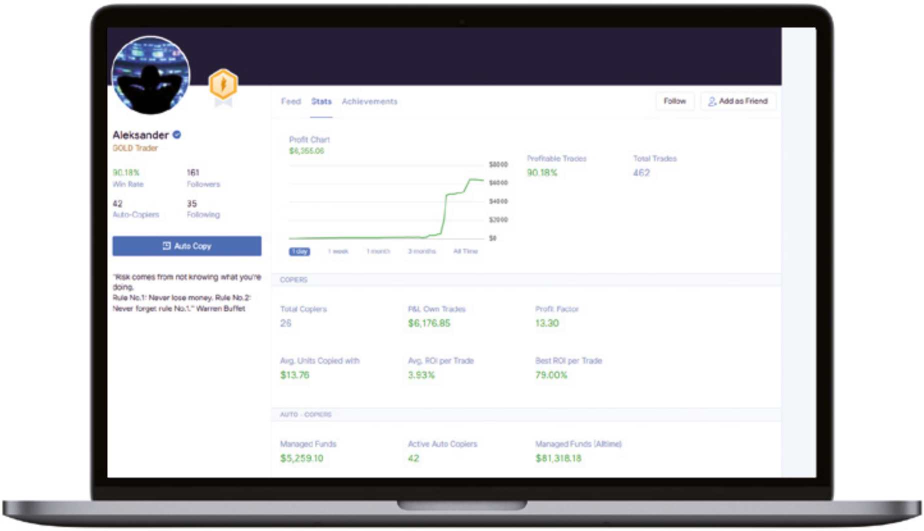
14) Making money by "sharing is caring"

If you know something about trading and you're making money with it, you can make extra money off from the trading that you would do anyway. Your knowledge is valuable. You may share some tips with your friends or you may even post something about it in some online forum. Or you might keep it to yourself, thinking, "Why should I let others have a free ride on the knowledge that I acquired through time, effort and pain?" You might think it would be fair to share if you're paid for your efforts. Other possibilities also include: you can start a YouTube channel and try to attract hordes of followers and eventually turn your user base into money once you have enough followers. Or you might start your own academy and start charging people to access your tutorials. Here's what you should know: all these require a lot of effort and are only profitable if you manage to catch the attention of the many. There's a much easier way: *do your trades as usual and let others copy you*. For each trade copied that you make money on, the copier is giving you a share of their profit. Basically free money for you. As a reward for sharing. Sharing is caring.



Rates
Sentiment
SCI EM -9.02% Tesla -6.26%
See More
CryptoCurrencies
Bitcoin/USD
6627.58 6852.52
33% 67%
IOTA/USD
1.2009 1.2839
8% 92%
Bitcoin/EUR
5675.53 5898.47
35% 65%
ETH/EUR
390.71 431.65
26% 74%
ETH/USD
458.36 499.43
23% 77%
NEO/USD
37.39 41.59
14% 86%
Balance
2.050,60 €
Invested
1.030,17 €
P&L
-770,43 €
Available
250,00 €
Feed
Trade
Copy
9+
Trades
Menu

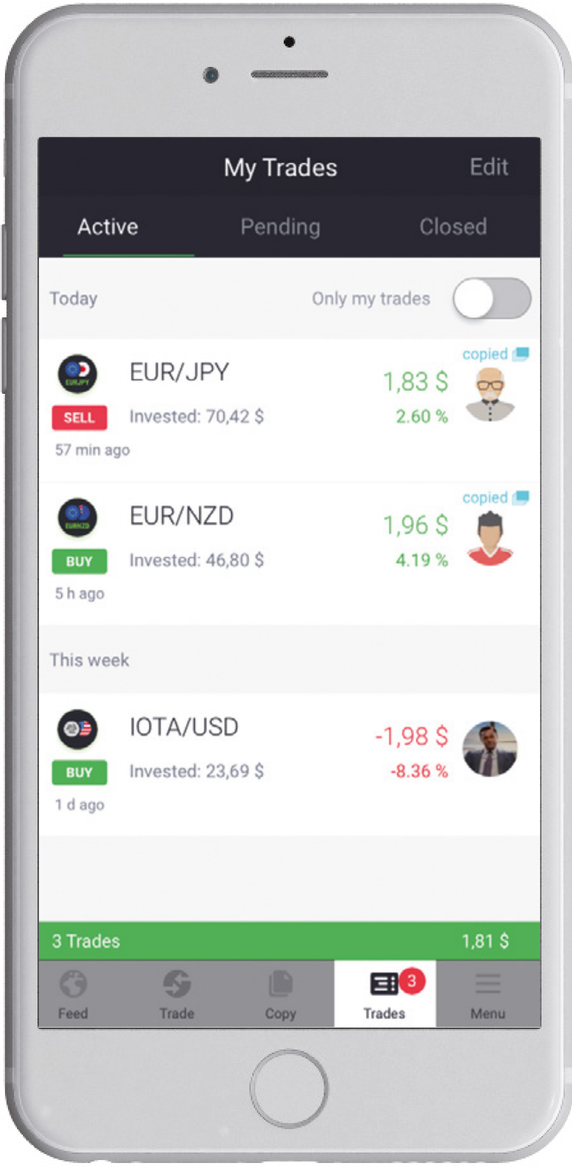
NAGA Trader publishes all your trades on your online profile, so the better your NAGA Trader profile and statistics are, the more likely it is that people will follow you. And the more you can earn. Below the example of a successful community trader:

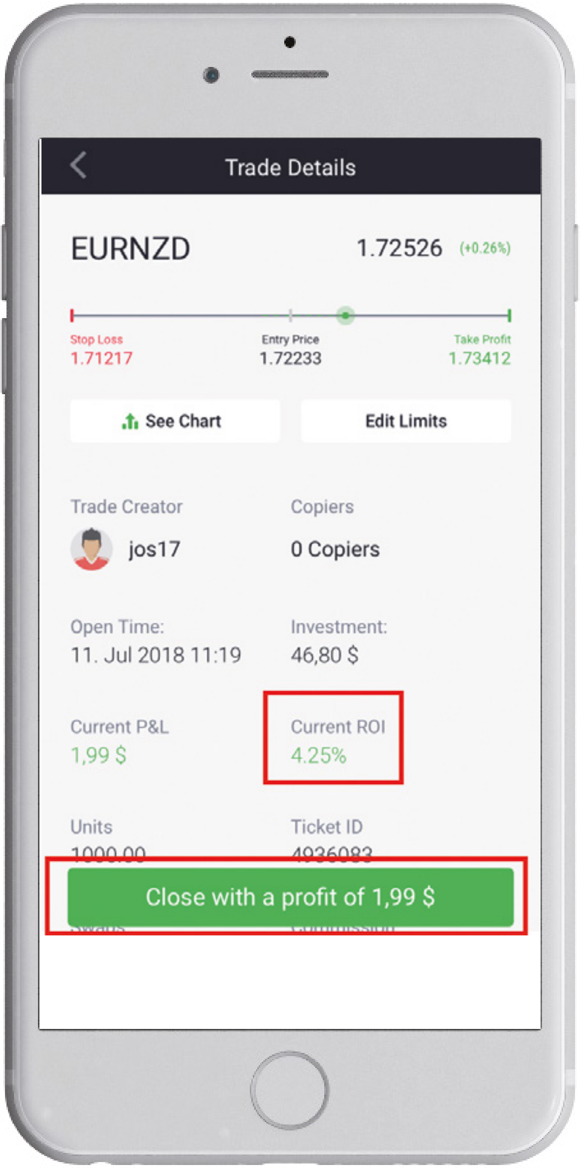


15) Making money by "herding cats"

OK, once you've started trading, make sure you manage your portfolio to optimise your risk and returns. Simply speaking, eliminate trades that are costing you money and are unlikely to make you money in the near future. Stop copying unsuccessful traders. Look for new trade opportunities by glancing through the news, checking out the leaderboard and the chats, and then follow your research and intuition. Always keep an eye on open trades. Set stop losses to limit your losses automatically.

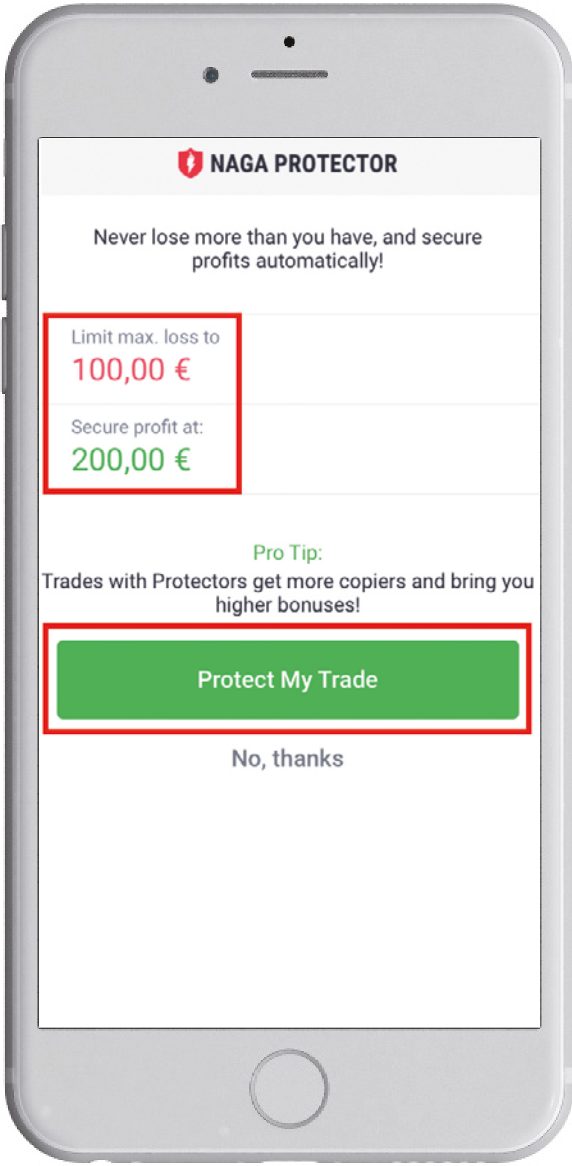
Here's how to start: use the "**My Trades**" section at the bottom menu on NAGA Trader to view all your open positions and their current return. Managing your portfolio entails actively looking at the performance of your open trades. At the bottom of the screen you can also see the total return of all your trades if you were to close them at that moment. In the example below, you can see that the trader is currently making a profit of $1.81. (Probably didn't copy the right people!) To close individual trades or look at them in more detail, simply click on the desired trade. For example, opening the EUR/NZD forex trade, you might think, "OK, 4% return that's decent enough, I'll close it." To close it, simply click on the close button at the bottom, which also tells you exactly how much money you'll make on it. Easy as pie. Similarly, you might want to close unprofitable trades that aren't going well. In the example below, the trader might have opened the IOTA/USD trade at the beginning of the week and it's still not showing any positive development. Current return has been steadily decreasing and currently stands at -8%. You can open the trade by clicking on it and then closing it with the close button at the bottom. It will tell you exactly how much money you'll lose on that trade. It's important to keep an eye on active trades and close at the right times. This is something you'll know from life already—almost everything is down to timing.


My Trades
Edit
Active
Pending
Closed
Today
Only my trades
EUR/JPY
SELL
Invested: 70,42 $
57 min ago
copied
1,83 $
2.60 %
EUR/NZD
BUY
Invested: 46,80 $
5 h ago
copied
1,96 $
4.19 %
This week
IOTA/USD
BUY
Invested: 23,69 $
1 d ago
-1,98 $
-8.36 %
3 Trades
1,81 $
Feed
Trade
Copy
Trades
3
Menu


Trade Details
EURNZD
1.72526
(+0.26%)
Stop Loss
1.71217
Entry Price
1.72233
Take Profit
1.73412
See Chart
Edit Limits
Trade Creator
jos17
Copiers
0 Copiers
Open Time:
11. Jul 2018 11:19
Investment:
46,80 $
Current P&L
1,99 $
Current ROI
4.25%
Units
Ticket ID
Close with a profit of 1,99 $

Of course, it might be somewhat difficult to manage all your trades manually at all times. You might even be at work and miss the market recovery. It's also recommended to protect yourself from potentially big losses. You're therefore given the option to set automatic profit-taking and stop losses. This can be done quite simply when opening a trade, or, if you prefer, later on.

To set this when opening a trade, just enable NAGA Protector and set the amount at which the trade will automatically close. You can set a limit for profit-taking, i.e., the price at which the trade will close automatically and credit you the given profit. And you can set a limit for losses, i.e., the maximum amount of money that you'll accept to lose on this trade before it closing automatically. You can also review open trades and set losses on them, should you not have done so when opening the trade. You can do this by clicking on the open trade in the menu and then on **"Edit Limits"**. It's also recommended to check the auto copied trades and to verify whether the copied person has set a limit that you're comfortable with. To do this, simply click on "Edit Limits" at the top of the screen. Just imagine having the luxury of setting such limits in advance in other areas of life!


NAGA PROTECTOR
Never lose more than you have, and secure profits automatically!
Limit max. loss to
100,00 €
Secure profit at:
200,00 €
Pro Tip:
Trades with Protectors get more copiers and bring you higher bonuses!
Protect My Trade
No, thanks

16) Making money by switching on the turbo

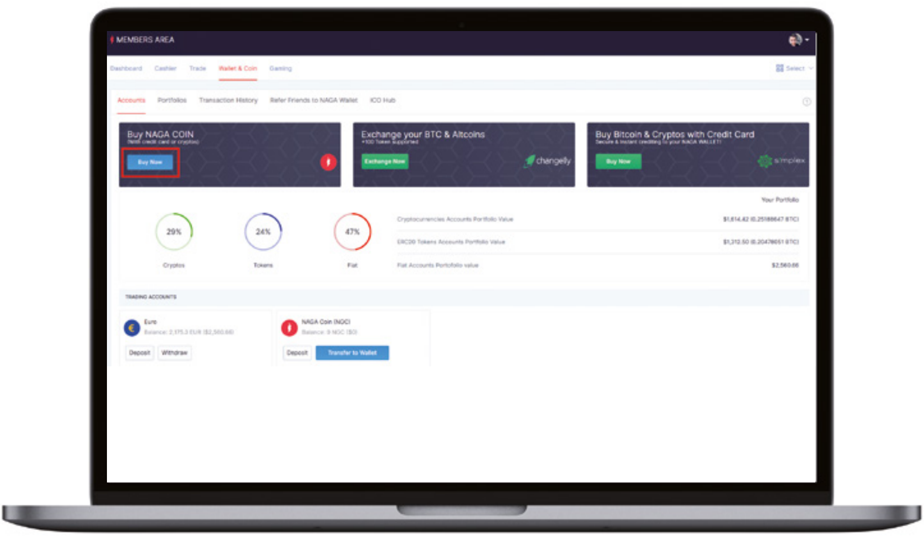
A problem in today's cryptocurrency market is that there's a lack of real world use cases for cryptocurrencies. If you're not trading cryptos on the exchange, there really isn't much you can do with it. You might be sitting on a good amount of cryptos and think that it's time to do something with it, maybe invest it and diversify your holdings. Just like what people do if they're having a lot of cash in a bank account. NAGA Trader thus offers its users the first financial trading platform that accepts cryptocurrency funding. There is no need to deposit euros or dollars or to convert them; simply fund your trading account directly with Bitcoin, Ethereum, etc. Remember that you're not earning any interest rates on crypto holdings. So you may be better off doing something with them.

If you already have cryptocurrencies on your **NAGA Wallet** (more on this later in Chapter 9), then you can fund your account simply by clicking on "Fund Account", then select **"Cryptocurrencies"**. Or if you have cryptocurrencies that are not on your trading account yet, then first transfer them to your trading account. Same procedure as previously explained.

17) Making money by having your cake and eating it

Now, if you've decided to start trading and investing, you might just as well make (or save) extra cash while doing so. As mentioned previously, you can use cryptocurrencies to start trading. As a citizen of the NAGA World, you will be getting advantageous trading conditions if you fund your account with the NAGA World's native currency, the **NAGA Coin (NGC).** NGC is available for grabs on numerous cryptocurrency exchanges including Bittrex, OKex, Upbit or HitBTC. If you're not really gung-ho on crypto, you can just buy some NGC with your credit card.

To explain this in a bit more detail, you can follow this description: Click on the NAGA Wallet section which will redirect you to your **NAGA Wallet**. From here you can conduct all your digital currency transactions. To get NGC, simply click on **"Buy Now"** under NAGA COIN which enables you to get NGC using your credit card. Should you already have deposited oth-

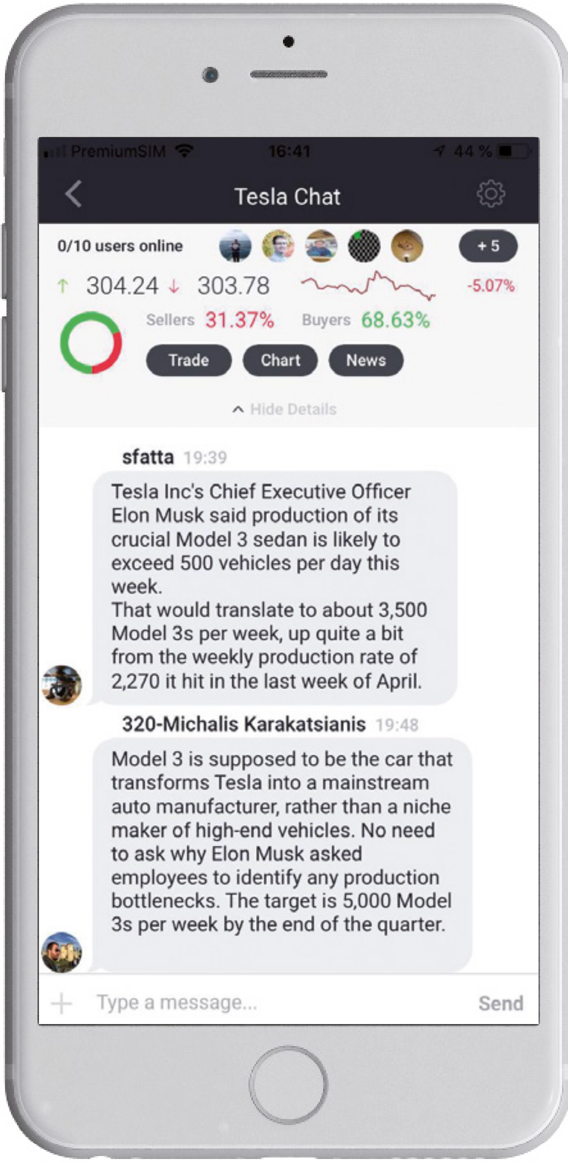


er cryptocurrencies, you can also instantly get NGC by clicking on **"Exchange now"**. Then it's off to the races.

Once you're in possession of NGC, follow the normal funding procedure as explained above. Using NGC for all your trading activities will give you 50% off all trading fees, give you a cashback on every trade and double your copy bonus should other people copy you. This is literally free cash—you're trading anyway, so why not do it in a way that lets you retain more of your cash to withdraw or reinvest?

19) Making money by reading gossip

The word "gossip" may seem out of place here, but it is in fact fitting. When checking out new stocks or a new market you may find yourself checking out analyst predictions and price targets, or you may even skim through comments posted on financial news websites or dodgy online forums. You may well already have digested the company's website, its previous financial results, the relevant news and other indicators, but it's always good to see what other people think. This is something akin to gossip, albeit a very useful form of it. And like gossip, you can simply be entertained by it, or you can use the knowledge to your advantage. You might want to get a confirmation about your intuition and analysis, or you might just want to see whether anyone else has doubts about the future performance of that firm. Or you might have a good feeling about a market and want to see what others think about this. Or even if you're


PremiumSIM
16:41
44 %
Tesla Chat
0/10 users online
+5
304.24
303.78
-5.07%
Sellers 31.37%
Buyers 68.63%
Trade
Chart
News
Hide Details
sfatta 19:39
Tesla Inc's Chief Executive Officer Elon Musk said production of its crucial Model 3 sedan is likely to exceed 500 vehicles per day this week.
That would translate to about 3,500 Model 3s per week, up quite a bit from the weekly production rate of 2,270 it hit in the last week of April.
320-Michalis Karakatsianis 19:48
Model 3 is supposed to be the car that transforms Tesla into a mainstream auto manufacturer, rather than a niche maker of high-end vehicles. No need to ask why Elon Musk asked employees to identify any production bottlenecks. The target is 5,000 Model 3s per week by the end of the quarter.
Type a message...
Send

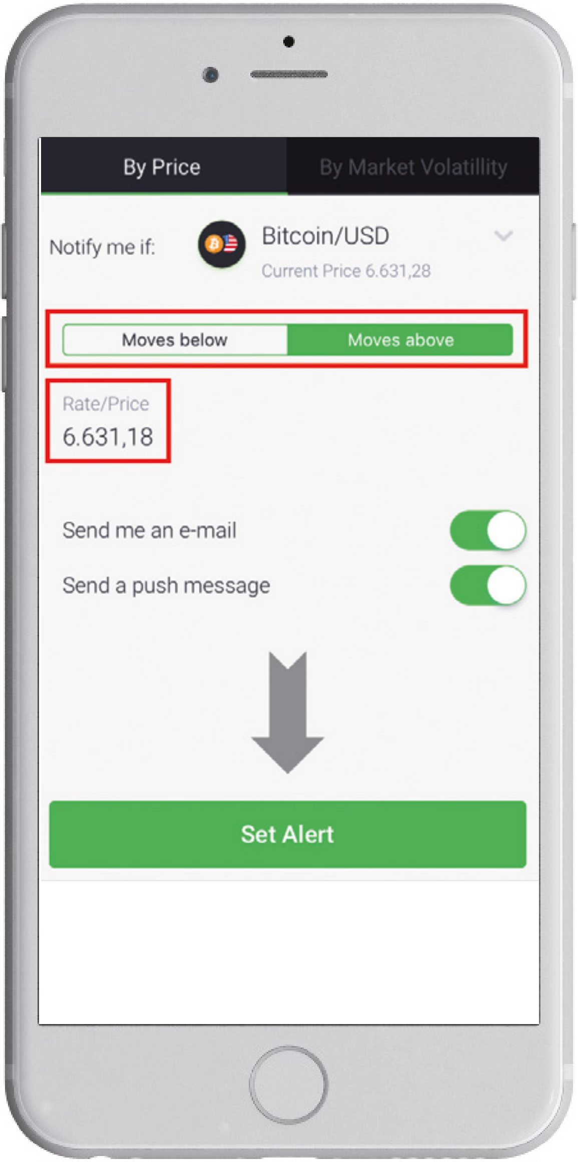
an experienced trader, you might find it valuable to discuss thoughts in an intelligent way with other traders. In today's world, access to opinions and discussions forums is, however, very fragmented. NAGA Trader has therefore made this task as simple as possible. You can find existing discussion channels on different markets or stocks. You can also create your own discussion channel. This is a very useful function, as you don't even need to leave the trading platform to get insights and ideas.

To access this section on NAGA Trader, you simply need to head to the **"Chats & Channels"** section in the main menu.

20) Making money by using your alarm clock

Some of the biggest gains can be made on big market movements. While big drops or spikes represent great opportunities, it's also easy to miss them, unless you're checking prices every 30 minutes. But it is difficult to reconcile with a busy work life, studies or holidays (or other fine moments in life). The best way for you to not miss such opportunities is to create a price alert which is nothing other than a push notification on your phone that tells you "Apple stock just dropped 5%" or "Snapchat just reached $15".

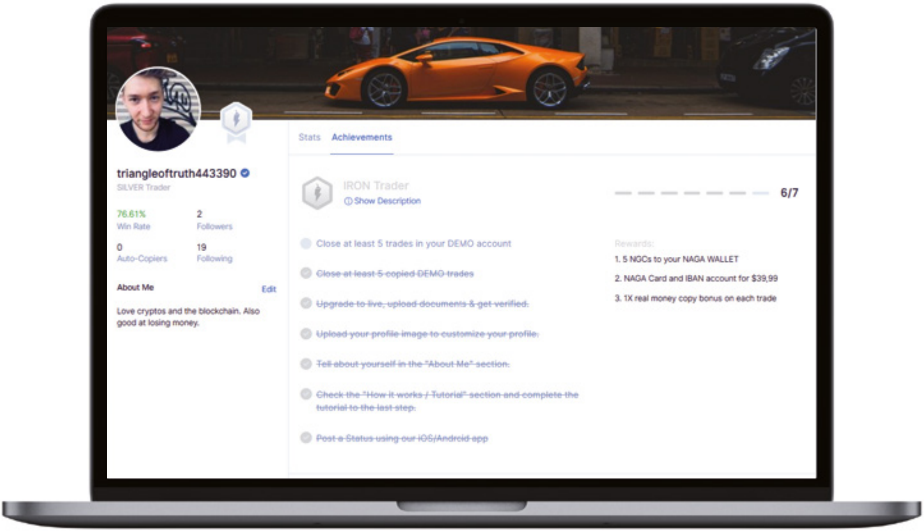
NAGA Trader has made setting such price alerts simple. Simply go to the **"Price Alerts"** section in the main menu and then click on **"Create a new alert"**. You can then choose to create a price alert based on price or based on market volatility


By Price
By Market Volatillity
Notify me if:
Bitcoin/USD
Current Price 6.631,28
Moves below
Moves above
Rate/Price
6.631,18
Send me an e-mail
Send a push message
Set Alert

(simply put, the ups and downs of stock prices). Price-based alerts are particularly useful if you have a notion of the prices associated with a particular stock. Say you've been following the Snapchat stock and told yourself, "If it goes any lower than $13, I'm in." In this case, select the **"By Price"** option and set the alert based on whether a specific price is surpassed or bypassed. If you want to make money off volatility or you are maybe looking for a quick way to make some cash off volatile stocks or a crypto asset, then select the **"By Market Volatility"** option at the top of the screen and set the percentage drop or rise that you'd like to be notified about. Finally, you can also select how long you wish this price alert to be active.

21) Making money on a random basis

Apart from all the above-described features that can help you make money on a daily basis, you should also be on the lookout for chances to participate in running or one-off promotions, tournaments or challenges. Most notably, there is an achievements system running on a continuous basis that rewards you for your activity on NAGA Trader. Check out the "Achievements" section on your profile. The more you trade, copy, fund and share things, the more rewards you get. Rewards come in the form of lower trading fees, NGC bonuses, secret rewards and more. An extra "leg-up".



22) Making money when people flip out over the newest iPhone model

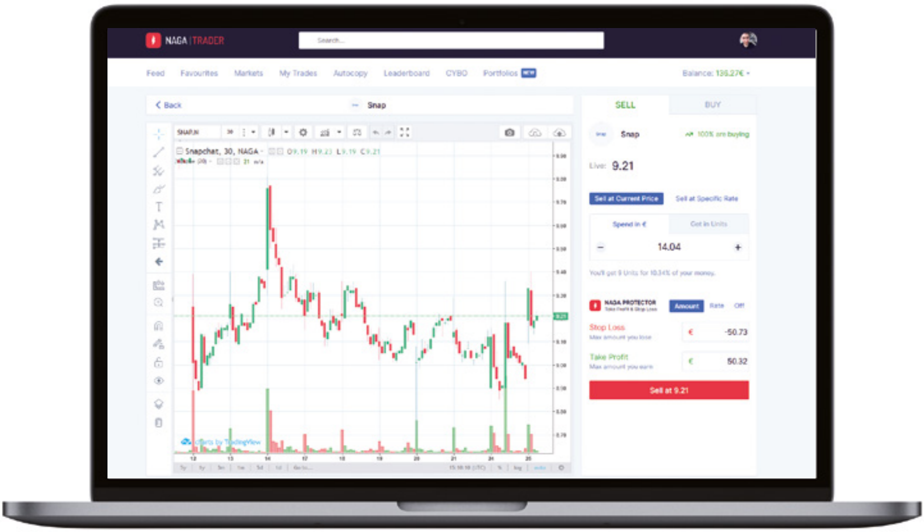
People regularly go crazy about new products, new versions of products, new games, or just about a new company itself. Online chats will be full of talk about the new iPhone model, people may queue up overnight just to grab the new Playstation on its first day of release, and people just love Spotify. These and other such crazes may seem bizarre to you—or you may follow them if it's a product or company that appeals to you. Of course, every new product or service needs to be paid for. Think about this: why not look for a way to make money from public infatuations, rather than only *spend* money on them? Start thinking about the companies behind those products and services. Check out their stocks (or, in the future their crypto token) and think about what can be earned by riding the waves of enthusiasm of consumers. A new product release might generate a spike in the stock price. Ride the wave successfully and you might even get the new product essentially for free.

23) Making money when people start hating something

The same goes for vogues of hate and disappointment. The great thing about the market is that you can always make money. Whether the market is going up or down or sideways or in circles (to paraphrase Mark Hanna, the senior coke-addicted investment banker from *The Wolf of Wall Street*), *you can always make money*. So, if people start hating a company because of a recent scandal and you're not a shareholder, good for you. Just open a "short" position on that stock and ride the sell-off. If you live in the US, you're probably familiar with the credit report agency, Equifax. Equifax revealed a huge data breach in September 2017, potentially exposing over 100 million social security details of customers. Given the sensitive nature of credit reporting, this unsurprisingly led to an enormous drop in trust towards the company. In fact, the company was nominated in a *New York Post* article as the most unpopular company of 2017. Or another example that you may be more familiar with is Snapchat. Snapchat introduced an unpopular redesign in February 2018, namely the separation of friends' content and other types of content that caused celebrities to make posts threatening to no longer use the application.

How is this of interest to you? Well guess what, following the revelation of the scandal at Equifax, the company's stock price dropped from approximately $120 to $80 over the course of one week. So even if you didn't jump on the dropping price on the same day as the revelation happened, you essentially had four more market days to ride the wave downward. And likewise, Snapchat shares dropped about 8%, costing the company almost 2 billion dollars in market capitalisation (the market value of publicly traded company's outstanding shares). If you had caught that temporary hate trend on NAGA Trader, you could have made a lot of money.

It would have been simple to catch that downward trend on NAGA Trader. All you'd have needed were a few clicks—no complicated knowledge about the financial markets. On the platform, you'd simply use the "Search" feature, enter Snapchat stock using the search function under the "Markets" section. Snap's chart indicates the clear downward trend that occurred in April 2018. You'd simply click on **"Sell"** if you were expecting the price to drop further. Select the amount that you wished to invest, set NAGA Protector and click on "Sell". Or alternatively, you could click on **"Buy"** if you think the price already reached the bottom and will most likely start going up again, especially as you might think the market probably overreacted to a simple redesign feature. And you would have been right.



24) Making money despite not knowing what a company, a share, a fund, etc. is…

If you have read everything that precedes this point, you may have realised that most of the ways to make money described above essentially don't require you to know anything. You don't really need to know what a company, a share or a fund is. Of course, the more knowledge you have, the better. But the aim of this is to impress upon you that we live in an information age where you basically don't need to have any specific knowledge, and you can still make money. If you're reading about ETFs being popular and people making money off them, but have no clue what the heck an ETF even is (it in fact stands for "exchange traded fund", if you're curious), that's not a problem. Let's be honest, do you actually care what it is? Likely not. And here comes the surprise: neither do the guys from Wall Street. They create things so they can make money. And we can invest also in things that make us money. So it's in fact pretty straightforward. You can simply go on NAGA Trader and copy the most successful traders, who probably know what an ETF is. Or you can use the "Portfolios" function and simply invest into a basket of investments that has been collated by professionals for you already. And this is the cheapest and easiest way to do this. No need to engage a top-notch professional who will devour you with hidden fees and profit participation schemes. And no need to walk to your bank and make an appointment that you squeeze in between your lectures or into lunch break.

25) Making money without having an idea about business and economics

Life deals up here and there are "lucky accidents"—situations where you benefit without having put in any effort or acquiring any special know-how, but by their very nature, you can't plan on them occurring. We can however offer something akin to these in terms of investment. The truth is this: *you don't in fact even need to know how businesses work, how the economy works or even what the economy is.* Just download an app and immerse yourself in the community. And learn new things if you're interested. Too easy? It's the future. And the future is now, as they say. Some people might be critical and reject any notion of making money investing without knowing anything about the investment world. Some may not see beyond the old concept meritocracy, where you only deserve money in exchange for being very good at or working hard on something. Create something earth-shaking or sweat blood working in a mine and get paid. Well, maybe that would be fair, or at least seem so in a simplistic way, sure. But think, chances are high that you *are* good at something, maybe even great. Or that you work really hard. But is it recognised as truly worthwhile—worthwhile enough for that money reward? Maybe this talent or skill—being a great streetballer; having ground-breaking ideas about fashion, being able to assemble awe-inspiring rubbish bin drones at home, whatever—maybe it doesn't easily allow you to make money with it. That's too bad. That puts you back to doing something you're not really into so you can bring home the bacon. Maybe there'll be another life you can enjoy; you can always hope. Here is the fact: economic inequality has been soaring for the past 30 years and more, pushing the naive or excluded poor and the lucky or savvy rich ever further apart. The distribution of money is all but fair. Those who inherit large sums of money might not have a clue about business or the economy (or much else). They might just have enough money to fill a private jet with managers to increase their wealth even more. There's nothing fundamentally wrong about wanting to profit from highs and lows, as merit is at best a subjective concept anyway. Think of squirrels making off with acorns that dropped from a tree.

The immensely popular US philosopher Michael J. Sandel (author *of Justice: What's the Right Thing to Do?* and many other titles) fills stadiums when he gives his fascinating talks questioning our accepted ideas of what we call morality. He shows (proves!) that so much of what we consider "moral" is in fact at the very least highly questionable—and that a lot of what we fret about *seeming* immoral is not a question of morality at all, but rather an acceptance of inevitable aspects of reality. Think, question things. A thought: is someone with all the winning cards and little capacity to enjoy what money can make possible more deserving of it than someone without them who can enjoy the doors it can open? Give it a thought. You can focus on what you're good at and share whatever you're good at with others. And you can try to learn about trading while also trying to make money by copying those that are currently better than you. Ultimately, even if all you do is copy others, you're still rewarding them for their efforts by paying them a bonus. This isn't piracy, or anything of the like; this is community-driven thinking.

Likewise, there's nothing wrong with riding on waves of craziness, happiness or uncertainty. Change for the better what you can, sure, but there are always winners and losers. And in fact, there are businesspeople out there who probably make money with the misfortune of others while even contributing to or causing it, as deplorable as that sounds. These same businesspeople will be justifying what they're doing by referencing hard work and risk-taking. Actually, all you do as a social trader is place bets. If a company loses and you bet on it happening, you can win. But remember you're not *influencing* the market or the misfortune of anyone. Not at all. You couldn't if you tried. You're just trying to make some extra money in a world which has always been and will most certainly always be one of inequality. And remember, if you're still concerned: there's nothing stopping you from doing something selfless with your newly acquired money. Get more generous with the homeless if you like, take your grandparents on that trip they always dreamt of but couldn't afford, give to worthy causes. It only takes money.

In this chapter, we've demonstrated numerous ways for you to make money. Most of these steps involve doing things that you may already be doing, like posting on Facebook, "stalking" people on Instagram or reading news. Or things that you're already good at, such as being sociable or talking to people. Or things that are easy to implement, such as copying what other traders do without knowing the world of finance and business.

CHAPTER 6
Useful tools

The NAGA World is about democratising finance, money and everything around it. Part of the NAGA World therefore is aimed at providing you with public goods—tools that can help you exist, evolve and grow in the world of money and finance. These tools work and can make your life easier.

The NAGA Wallet

NAGA has created a comprehensive gateway between the up-and-coming crypto world and the prevalent fiat (established money) world to give you the best of both worlds. The NAGA Wallet allows you to centralise your asset holdings, to transact, to conduct payments, to manage your assets, to analyse market conditions and to connect to the real offline world as well as the world of trading and gaming.

Sounds complicated? It isn't. The NAGA Wallet is at its core a cryptocurrency wallet—it is an electronic wallet where you can receive, send and store over 1,200 cryptocurrencies. The NAGA Wallet was designed from its outset to support multiple cryptocurrencies (a number that's growing as the market evolves) to avoid fragmentation in a market that might require you to hold five different wallets with different private keys to be able to store all your cryptos.

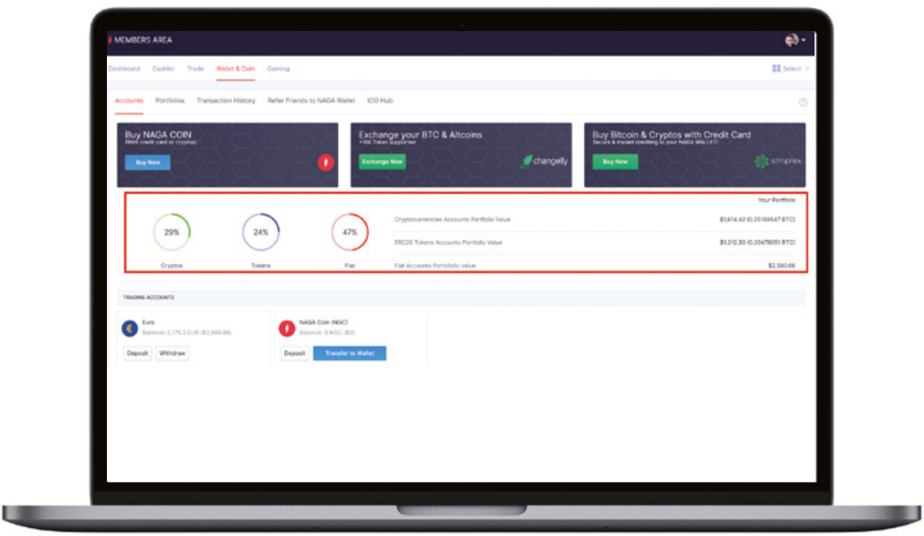
The NAGA Wallet also eliminates situations where you get locked out of accessing your crypto assets because you've lost access to your private key. This happens frequently. People get their laptop stolen, lose the external USB where they kept their key, get hacked by malicious hackers or accidentally delete the text file containing their key. There was a story of an Australian guy who followed good advice and held his private key to his bitcoin wallet in cold storage. To do this, he backed up his private key on a cheap Chinese-made USB stick. When plugging it back into his laptop after a few years, the USB stick was dead. You might hear something like this and think, "Damn, better to keep your funds with a bank, because even if you lose your access code to your online banking account, you can still get your money by going to the bank in person." The NAGA Wallet takes this pain away from you by backing up your key in cold storage for you. Never lose access to your digital wealth.

Importantly, the NAGA Wallet was also designed with you as a user at its heart. Some cryptocurrency wallets out there are designed by geeks for geeks. The NAGA Wallet is kept simple and yet beautiful. The interface is clean and intuitive. It's an achievement we're proud of. Someone in the NAGA community was overheard saying that you could even explain to your grandmother how to use the NAGA Wallet. No offense, dear grandmothers, but there's hardly a greater compliment than that!

To access the NAGA Wallet, sign in directly on naga.com and select NAGA Wallet. Now let's look at the functions of the NAGA Wallet in more detail.

1) Viewing your assets

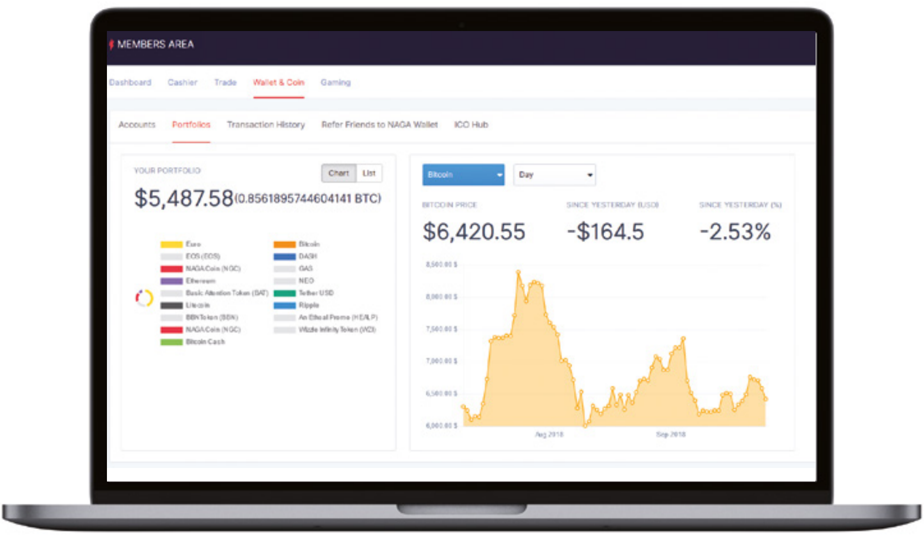
The NAGA Wallet makes it easy for you to view all your assets in one place. This isn't confined to cryptocurrencies, actually. It lets you view all your assets including the fiat money on your trading account that's securely placed with a partner



bank. This feature is paramount to uniting the crypto and fiat world. And you can view and understand it on your screen within seconds.

You can then also view your cryptocurrency holdings in general view or get more details on a coin's current market price, market capitalisation, trading volume and global rank by clicking on the arrow on the right to every coin. In practice, it means that you don't even need to consult coinmarketcap.com to figure out the value of your holdings. One less step; one greater convenience.

2) Analyse your portfolio and the market



For those interested in viewing their portfolio in graphical format, there's also a function just for this. Simply scroll down to "**Portfolio**" in the main menu. You can choose between a chart view and a list view. You can select the different types of assets to look at current prices and price changes. You can use this as a starting point for analysis if you're considering buying or selling some of your assets.

As with any good bank, you can also view a list of all incoming and outgoing transactions to help you keep track. To do this, simply select "**Transaction History**" in the main menu.

3) Transfer assets

The NAGA Wallet has brought forward a number of innovations to improve your sending and receiving experience. After all, transferring money to your friends or transferring funds from exchanges should be simple. As simple as e-mail.

In fact, transferring funds on NAGA Wallet is as simple as sending an e-mail, literally. If you're sending cryptos to any other NAGA Wallet user, all you need to do is use his or her e-mail address. It's the fastest, simplest and cheapest way to transfer crypto assets in the world. In fact, chances are that even your grandmother might know how to send an e-mail. Well that's it. If she can send you an e-mail with pictures of her knitting, she can also send you bitcoins (if you give her any first). Of course, you can also transfer your cryptos the traditional crypto way. But good luck in explaining to your grandmother how to enter a 30+ digit long public key. In fact, long public keys are inconvenient for anyone. You won't be able to remember them and you'll need to look up the address every time. Also, there's always the risk that you might miss out a letter or a number, which could mean losing the funds forever. Not what you want. We believe that future of crypto transfers are simple personal things, such as e-mails or phone numbers.

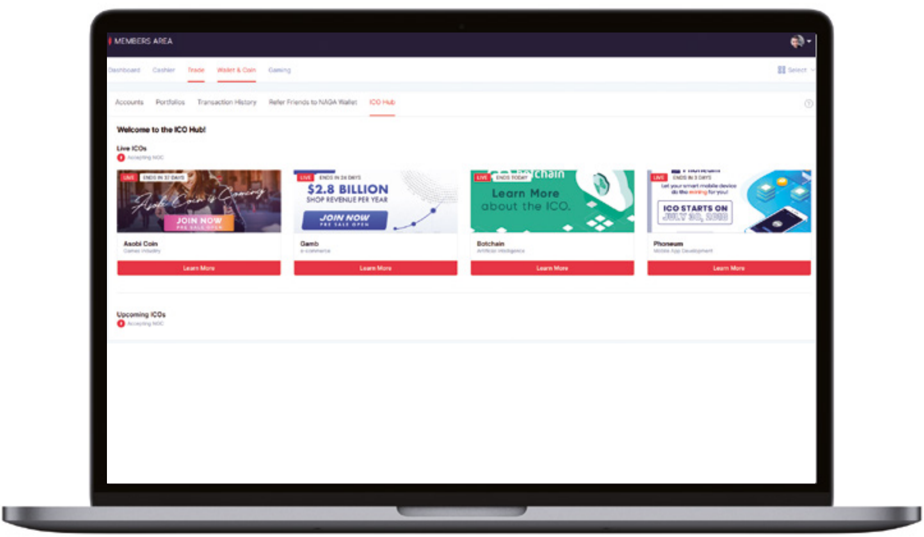
Here's what you do: to transfer funds using the NAGA Wallet, simply select **"Withdraw"** next to the coin that you wish to send. You can then choose between **"By e-mail"** or **"By Public Key"**. Simply enter the amount and recipient address. Then you also need to select the "gas" for the transaction. This is another concept that might give newcomers, and even advanced users, a headache. "Gas" basically represents a transaction fee that you need to pay to use the network. The NAGA Wallet has added another invention at this point. It offers the option to pay such fees in **"NaGas"**, giving you a 50% discount off any fees. It also selects the amount of the fee automatically, so you don't need to go check the market rate and then try to figure out what the best limit and amount is. All done for you.

4) Invest

The NAGA Wallet also lets you directly access financial markets through NAGA Trader. To do this, just click on **"Trade"** in the main menu, and you will be instantly redirected to NAGA Trader.

The NAGA Wallet not only links you to NAGA Trader, it also provides a direct gateway for you to invest in *Initial Coin Offerings (ICOs)*. If you're not familiar with the term, ICOs are basically fundraising rounds where you donate money in exchange for a digital token. Or you can think of it as an *IPO* (*Initial Public Offering*—this is when companies put themselves on the stock market) for a cryptocurrency or token. ICOs have been extremely popular for investors in 2017 and 2018. The NAGA Wallet lets you view handpicked ongoing or upcoming ICOs, including links, informational material and the possibility to directly invest in an ICO.

Now to the next step: to check out the ICO hub, click on **"ICO hub"** in the main menu or just view an overview of ICOs



by scrolling down to the relevant section. That's the deal in a nutshell.

This covers about everything that your bank does for you, doesn't it? Almost. You're probably also conducting the majority or at least a substantial part of your day-to-day payments with a debit or credit card issued by your bank.

The NAGA World has taken the concept of payments further to provide you with a card that unifies *all* your assets for payment purposes—the NAGA Card, and a unique personal IBAN which connects you to the international banking system. Life just got easier.

NAGA Card

The NAGA Card looks cool and stylish. But more importantly, it lets you make payments at any shop around the world that accepts Mastercard.

For regulatory reasons, the NAGA Card can only be funded with fiat funds from your trading accounts. This means that if you'd like to spend your crypto assets, you'll need to convert your cryptos to fiat first and then transfer your fiat funds to your trading account. This can be done super easily by clicking on the **"Convert"** function next to any crypto asset you have. After that go to your fiat holdings and click on **"Transfer to trading"**. Done. You effectively have a payments system.

You have a card, you have a multi-asset wallet. But you haven't seen the whole picture yet. You may have noticed that you haven't yet been given the option to send to and receive fiat money from others. The NAGA World is about the freedom and flexibility that comes with an all-inclusive world. So, look no further—welcome **NAGA Card.**

The NAGA Card enables the citizens of the NAGA World to send and receive fiat money via their personal IBAN. If you have a bank account, you likely have an IBAN (depending on your country). This is basically a unique code that connects your national bank account to the international banking system. This is a major point: you can basically open the equivalent of a bona fide bank account *but with the additional options of including digital currencies, access to financial markets and virtual goods trading as well as bonuses everywhere.* Everything is accessible without major hurdles in the NAGA World.

CHAPTER 7

NAGA Virtual—Making money in the gaming space

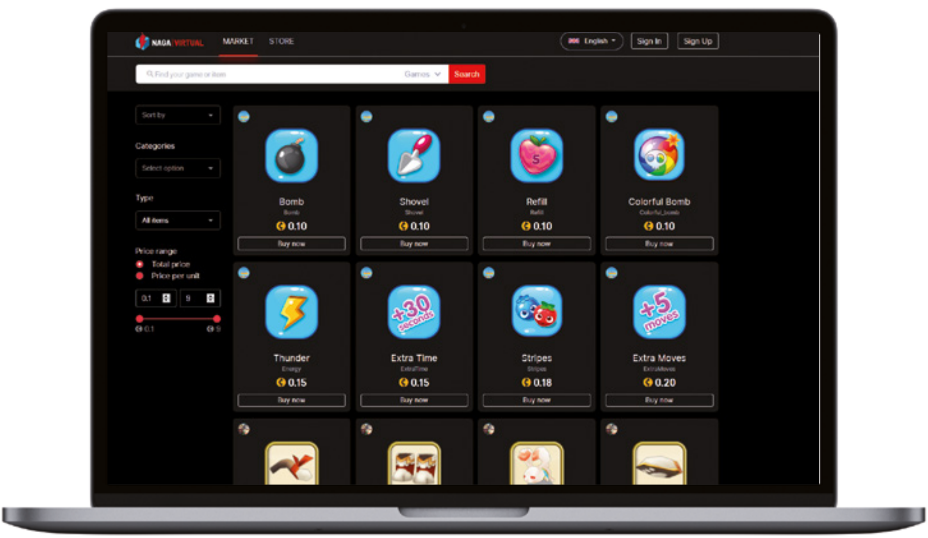
Would you believe it if someone told you that one third of the world's population is made of gamers? If not, then you might want to rethink your conception of a gamer. Market research by Newzoo estimates that there are indeed 2.3 billion gamers worldwide in 2018. But gamers are not what they used to be. Their ranks have risen, their membership have broadened, and their devices have diversified.

Think about the rise of mobile games in the past years and the constant evolution of consoles, computers and hardware. The gaming industry is enormous. And that's good news for big business, as they're making cash. People spend money buying devices, hardware, software, games, in-game content, paying for multiplayer access and even getting extra mobile data. You might think, "True, but many games are available for free." Well, if you're not paying to download the game, then you're paying with your time and attention (which we have already identified in Chapter 5 as one of the most valuable resources of our age). You're probably feeding data to the game provider, eating up advertisements or paying for in-game features or content, or maybe all of it.

So, while big businesses are earning tons of cash, think, what is your utility or, put simply, what is your reward? You enjoy your time, you have fun, you connect and compete with others. And don't forget that you're getting tons of shiny virtual items, fancy badges and virtual recognition, all of which are, to be truthful, pretty useless in real life, but are produced at near-zero marginal cost to the companies involved. This might seem like a fair deal. But think about it. Imagine you could enjoy your time playing games and at the same time *take a bigger profit share in the popularity and success of the gaming industry.* Real money. They say, "Play hard, work hard", right? Actually, how about "Play hard only." This chapter will explain you how the NAGA World makes this possible. This section is for everyone from non-gamers and casual gamers to hardcore gamers and addicts.

The NAGA World is currently building **NAGA Virtual**, the world's first fully transparent and compliant marketplace for virtual goods. "Virtual goods" is a fancy term for basically anything that doesn't exist physically and that has some sort of market value in the gaming world. This includes in-game items, game characters, DLC (downloadable content), additional content, maps, mods, background graphics, skins or even a whole game. If you like, Steam is a virtual goods marketplace. But it's focused on selling games, DLC and some items directly from publishers with pure focus on computer games. NAGA Virtual on the other hand is limitless in its conception. It can be integrated with any console, any game, it allows publishers to sell games and content directly, and it empowers gamers to trade goods among themselves in the secondary market. It makes the buying and selling of virtual goods simple, and yet gives it a proper stock market feeling to those who would like to see it as a trading activity. And unlike existing platforms, NAGA Virtual fully cooperates with game publishers to make sure there's no chance of them suing NAGA Virtual or making your virtual life harder.

The base currency on NAGA Virtual is currently denoted in credits but will in the future be the **NAGA Coin**. But as you've seen and will see, you can use the NAGA Coin for plenty of



real-life applications (trading, investing, asset management, education, payments), or you can simply exchange it for fiat money through the NAGA Card or through an exchange.

This chapter will introduce to you the concept of making money in the gaming world. As NAGA Virtual was only launched in April 2018, this chapter will focus on the possibilities that NAGA Virtual and the virtual goods market will offer to you. NAGA Virtual is a work in progress and is working hard to onboard more games and publishers every day. Make sure to follow NAGA Virtual's progress on our social media.

1) Making money by playing games

The basic vision is that you can earn money by playing games. This can happen without being among the global top 20 *CS:GO (Counter-Strike: Global Offensive)* players who get sponsored and participate in tournaments with prizes of up to some tens of thousands of dollars. Nor you have to be a super-skilled and entertaining *Dota 2* gamer who gets millions of views on his personal YouTube channel. All you need is to keep playing your game with something you surely already possess—passion.

If you're a passionate gamer, there may be many games that you simply enjoy playing and spend hours playing. You might like open world fantasy games or competitive ego shooter games. Maybe you spend hours levelling up your character, hunting down that rare sword or simply raising your rankings.

You don't need to be the best. Some people might get their character up to level 100 in a few days while you might do it in three months. It doesn't matter.

Here's the real question: how can you make money by simply playing your favourite game? NAGA Virtual is planning to incorporate as many games as possible and open up a transparent secondary market. If your game is supported, you can simply take your levelled-up character to the NAGA Virtual store and sell it the same way as on eBay. There are probably gamers out there who want to access higher levels and maybe compete with other gamers. But they may not feel like playing through all the "noob" levels and instead be willing to pay you $20 for your game character. That's pretty much free money for you. Or you might have been playing your favourite game for many years, invested many hours of fear, rage, and excitement, perhaps even real cash, into the construction and expansion of your spaceship. After many years, you decide you'd like to quit gaming, or simply start a new spaceship to challenge yourself. Or you might have got lucky on crates, which many games have picked up on recently, including *CS:GO* and *PlayerUnknown's Battlegrounds*. The idea is that users can pick them up during the game but will subsequently need to purchase a key (with real money) to unlock it. This presents the gamer, albeit in a funny way, a chance or the hope of winning a valuable or rare in-game item. Imagine you're a casual gamer and get a super astounding gun through such a crate by chance. You might be running around the game with it without actually caring, then later find out that others would be willing to purchase it for a few hundred dollars. Or you might be a hardcore gamer and finally get this unique sword that everybody dreamt of getting, but quit gaming after starting your new job. NAGA Virtual aims to make such secondary resale opportunities accessible to you by creating a transparent and compliant marketplace for them.

Nowadays, most people are not earning any money while gaming, but you're still playing, most likely due to the enjoyment factor. But wouldn't it be better if it could earn you extra cash too? That's the kind of opportunity that NAGA Virtual offers—sell your in-game items, characters, etc. for money. Who says you shouldn't mix business with pleasure?

If you're not that much into gaming, you might think that the values at stake for virtual goods must be negligible, since we're talking about, well, virtual, unreal things. A bit of friendly advice: *don't underestimate the potential value of virtual goods*. There are virtual kittens that got sold for more than a hundred thousand dollars ("Cryptokitties"). Likewise, the *EVE Online* community went crazy when an in-game spaceship was destroyed that was estimated at a real-time value of $9,000. This value comes from the owner having continuously invested time and in-game credits that are exchanged for dollars. A 20-hour battle in the same game caused headlines by showcasing an estimated destruction of $300,000 worth of ships. Imagine if the gamers had settled for peace and instead traded territory and ships for money—you can picture the dollar amounts that would flow if there were an open secondary market for this game. Ah, if only.

Play hard, don't work hard. Playing games is fun, right? You can turn your passion into wealth. And who knows what the future holds. With some ingenuity and a bit of luck, you might even be able to completely merge private and work life by making money while playing games all day. Wouldn't that change your life for the better?

2) Making money by knowing games

Today, we live in a knowledge economy. No question. Knowledge drives growth. Market participants are rewarded for their knowledge. The more you know about finance, biotechnology or blockchain, the more money you can earn. Unfortunately, not all kinds of knowledge are equal. If you like games, you may know all about *Elder Scrolls Online* or *World of Warcraft*. Some people might read your blog to get free gameplay tips, but very few will pay you money for this. Unless you can make money off a YouTube channel with two million followers. This means that your skills and knowledge are very likely to go unrewarded. And this is surprising, especially given that the gaming market is valued at over 130 billion US dollars and the market for virtual goods is estimated to be worth between 15 and 50 billion US dollars (depending on what you include in the definition of virtual goods). Here is a value gap waiting to be filled. Fortunately, the NAGA World is building a platform to set new standards for the gaming market. It actively promotes a regulated and transparent marketplace for virtual goods as well as the recognition of virtual goods as legal assets. You can finally turn your in-game knowledge and skills into cash. We certainly don't have to tell you the value of that.

Let's think it through. Maybe you know where to find all those rare items that make your game character able to face the ever-growing evils of *Fantasialand*. Perhaps you've dedicated hours of gameplay to finding them. Maybe you have found the most efficient strategy to level up your game's character. Or, you've come up with good strategies to get crates or drops with skins and other items. There might be people who'd like to advance in the game but aren't into spending hours of valuable game time searching dark caves that are teeming with goblins. Or people who are willing to pay a lot of money to make their gameplay just a little bit more cosmetically appealing by buying a beautiful skin.

On the other hand, you might have a sound understanding of in-game economics. You may be aware of price-altering forces, anticipate which items might become scarce or what people might no longer need as a new alternative is lurking. You may know the "BP" and "ExxonMobil" in your game, i.e., individuals with huge market shares. Perhaps you're able to interpret price movements for in-game goods based on such in-game knowledge. Likewise, you might have a good understanding about a game's out-of-game economics. Knowing the publisher and their market strategy tells you a lot about the game, its longevity and the value of the in-game items. An example: games where publishers consistently push for new games or new sequels or that simply have a bad track record of maintaining game infrastructures might be bad investments for valuable in-game items. You might anticipate that the game will only be popular for a short-time period, or that the game will decrease in value as no patches, updates or support is being maintained. You don't want to end up with an expensive sword that you might not be able to use because the game fades into no man's land.

The good thing is that with NAGA Virtual, you can take all your rare items, experienced characters or valuable skins and put them up for sale on a secure marketplace where other players can buy them. Buying and selling items on NAGA Virtual is easy. To buy or just to check out what is on the market, you have all the functions that you find on eBay. You can search for items, sort them by category, type, price or game. Nothing you haven't done before.

NAGA Virtual is built in a way that would even make it possible for publishers to link an in-game store to the web interface of NAGA Virtual. So you could technically go into an in-game shop or talk to an in-game merchant, sell the items in your inventory and get money directly credited to your NAGA Wallet. How about that.

3) Making money by knowing how gamers think

There is a type of traders called *macro-traders* in the financial world. These people look for broad trends in the market and make money by anticipating among other things the actions of big players, such as governments or international organisations. They make money because they (think they) know how big market participants think.

If you've been playing games for years, hanging around online forums or frequenting any other gaming channels, you might have a good idea about how gamers think. *You could turn this into money.* You could become a virtual goods trader. Anticipate community reactions to the new *GTA* or *Total War* release, predict market behaviour once that new patch gets released, think about how it can affect the demand for competing games, existing gameplay or older releases.

Such patches can have different effects. It could cause older items to become obsolete and lose value, or it could make them more valuable as they become harder to come across. If you know how gamers think, how they will react to such items and what changes to the gameplay there will be, then you could probably be more accurate in predicting price movements. You can even, if you like, study price charts on NAGA Virtual and engage in "virtual technical analysis". You can tell your family during the next Christmas dinner that you're a virtual goods trader. Earning real cash. Pass the turkey.

You could also look out for items, skins or covers that you believe appeal to gamers and buy them before they become popular on the market. Or take one-off chances to get unique or rare items directly from the publisher and sell them later for a higher price due to their exclusivity or scarcity. If you have an idea what type of items gamers might like, then this is a great opportunity. You think you can't make serious money from this? As mentioned before, the video games skins industry alone is estimated to be worth $50 billion. Some skins on opskins.com are currently selling for 20¢, while others are going for $5,000. Others go for $60K. Yes, seriously. There was the story of a passionate *CS:GO* player who bought a skin for a sniper rifle for $61,000. The player before him bought the skin for around half that price. Great deal for the seller, right? And of course for the buyer who received a beautiful skin. Think about that seller being you.

There was also a unique virtual sword for *Age of Wulin* that was sold to someone in China for $16,000 during an auction held by the publisher. And who knows what the resale value will be. Watch out for games' popularity, competitiveness and longevity. Make your predictions.

Here's another idea: if you know what gamers like, you could just turn your attention to designing and crafting skins for items and characters or to creating backgrounds or loading screens and then sell them (assuming publishers consent to this).

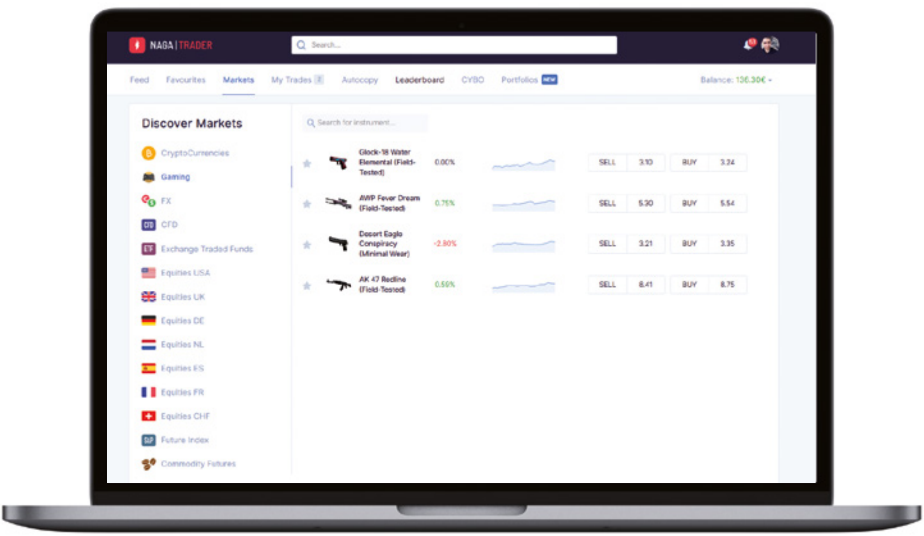
Basically, if you know how gamers think (and after all, you are one), you have valuable knowledge that you can turn into wealth. You can perhaps even suggest to Goldman Sachs that they open a virtual goods trading desk. Though other gamers might disapprove of that....

4) Making money when people go crazy about a game

This section is similar to the one in chapter 5 on trading. Except here we're talking about gamers going crazy, not the stock market. But the principle is the same—whenever people go nuts about a product, there's money to be made. And not just for the producer, or, in this case, the game publisher. Any primary market (here for example the sale of a new game or of an exclusive item) will create a secondary market that may sometimes even be bigger than the former. So when people go crazy about a game, there are numerous ways you can make money. Remember the example of the $16,000 virtual sword we talked about? Well, chances of getting such prices or just generally high prices are highest among games where people go ape. Buy items that people want. Acquire in-game resources that are scarce. If people are hyped with a certain game, they don't mind spending hundreds of game hours on it, or hundreds of dollars. They'll be scouting the web for a chance to get that unique assault rifle, to find a way to make their character look unique or to buy a ship they can take on stronger enemies with. At the moment of writing, one of the most played games on Steam is *PlayerUnknown's Battlegrounds*. Some people are so hyped with this game that they're willing to pay $60 for in-game gangster bandanas (source: opskins.com) or, well, $2 on bloody shoes. You could become a virtual scavenger or "rag-man" and spend your game time looking for crates and item drops and hope to get a valuable one. All power to ya.

5) Making money when people start hating a game

Now let's flip the coin—if you can make money from people going crazy about a game, you can also make money from people *hating* a game. You can use the advice given in the previous section and short the stocks of game publishers in the financial market. The release of *Star Wars Battlefront II* and the controversy around in-game paid microtransactions that accompanied it hit the publisher EA so hard that $3 billion got wiped off its stock price. If you had been into this game early on, you could have "shorted" this stock (basically, borrowing and reselling it, keeping thus the profit; you'll remember) on NAGA Trader and earned on other people's hate. It's done all the time—only maybe not yet by you.



Moreover, NAGA Trader has recently added “**Gaming**” as a market section where, for the first time in history, you can directly go short or long on virtual goods without needing to actually sell or buy them. This is still a very experimental part of the NAGA World, but might perhaps create an entirely new market where people can speculate on games’ or items’ success.

6) Making money by creating your own game

Finally, you could redirect those already active grey cells and create your own game, sell the game directly on NAGA Virtual, sell DLCs or in-game credits, then open up the secondary market for trading and make money on commissions on whatever items people want to trade. A plus point for the virtual world: there are no limits on how to make money.

In this chapter, we’ve explained how you can make real money in the virtual world. You can play your favourite games, use your in-game knowledge and experience to make money. With NAGA Virtual, you can trade in-game items such as weapons or spaceships or skins or loading screens the same way you can on eBay, but with the sophisticated set of tools from financial trading. Use your knowledge of games, gamers and the community to know what is trending and what is popular to optimise returns. Hats off to you in advance.

CHAPTER 8

NAGA Exchange—Making money in the crypto space

The rise of cryptocurrencies at the end of 2017 was a goldmine for many. Everybody was making money. Early investors, late investors, coin issuers, crypto exchanges, crypto-advisors, etc. Then the crash came and some people lost money. However, the crash was everything except the end of the crypto revolution. The expulsion of many "gamblers" in the market and the partial stabilisation of prices after the crash enabled the community to raise important questions about cryptocurrencies and blockchain, to start finding solutions to many shortcomings in crypto space. In the hype, people almost forgot that nearly a million bitcoins were lost through crypto exchange hacks. And that made thousands of people fall victim to scammy ICOs, exchanges or custodians. But what about the cryptocurrency market? Is it too late to invest, are the times of trading cryptos over? Definitely not. As the market matures, products and services develop, investors that have previously stayed out start to enter as they see potential, and new regulations are incentivising consumers and investors to join by giving them better protections.

The NAGA World is building a crypto-trading platform that has learnt from the mistakes made by many predecessors—the **NAGA Exchange**. This platform will go live from November 2018 onwards and is essentially a cryptocurrency trading platform that enables everybody to trade in this new market while providing a secure, transparent and regulated trading environment. A good idea, if we may say so.

But unless you already are a crypto-millionaire, you're probably wondering how you can make money in this new space. Never fear; we're about to outline a few ways on how you can earn money in this space.

1) Making money on geeks getting it right

When you first heard or when you hear the term cryptocurrency or any of the other jargon used in the field, you might feel lost. You might think this isn't for you. You have no idea about currency trading, let alone cryptography and blockchain. And maybe you think this is for geeks only. And if you look at some of the big guys in cryptocurrency, you can't be blamed for feeling confirmed in that impression.

However, the good news is that you don't need to be a geek yourself to earn money. Let the geeks do their part. And you can make money when the geeks get things right. (No offence if you *are* a geek.)

ICOs and cryptocurrency trading provide opportunities to take part in companies or projects' successes. Buying and selling cryptocurrencies with the NAGA Exchange is simple. It's designed with a friendly and easy interface. To get ideas on what to buy and sell, you can use NAGA Trader as a starting point. As explained in Chapter 5, you can make use of the newsfeed, check out market sentiment or read the crypto chats. Then you can research the companies behind each coin, read the whitepapers, read their social media feed, read articles and discussions about them. You can place your "educated" bets on which geeks are the best and which ones might succeed without needing to understand all the technicalities behind it. Do your trading with the NAGA Exchange and benefit from automatic protection of your assets with the NAGA Wallet. If the geeks get it right, you win too.

2) Making money by simply following a trend

The markets are driven by herd thinking. Few are trendsetters; most see and copy. Canadian journalist and author Malcolm Gladwell wrote about this in detail in his international bestseller *The Tipping Point*. This thinking can be dangerous. The blind has been known to follow the blind. But it also makes it easier to identify trends which can help you make money. This is especially true in the cryptocurrency market. Identifying trends in the cryptomarket is actually quite simple in some sense. Why? Because the market is still largely unregulated at the time of writing, there are many speculators, gamblers and manipulators that exemplify herd buy and sell actions. Buy at the beginning of a hype and chances are high you have successfully caught an upward trend that might drive prices as high as 50% in a few days.

The key is to see the overall trend and not to panic at every temporary price drop, because *the market always moves in ups and downs*. In fact, anybody who bought cryptocurrencies in, say, October 2017 and sold two months later made big money. It's probably fair to say that it didn't even really matter what cryptocurrency you bought at that time because they all see price hikes. You bought at the right time, you followed the trend, it didn't even matter what was behind the individual project. Ever heard of Dogecoin? People were trading 200 million dollars worth in Dogecoin, a "joke currency" with a friendly dog logo, on a daily basis in December 2017. It didn't matter that you couldn't do anything with Dogecoin and that Dogecoin's website featured a cheap animation of a dog flying in a rocket. Basically, you could have made money simply by following the upward trend.

And at the moment, the price of bitcoin seems to be a good indication of the market trend. At the time of writing, bitcoin dominance in the cryptocurrency market cap amounts to over 40%. Thus, if bitcoin does well, the other cryptos usually follow, if we're talking about big trends. Of course, this isn't always true; individual coins often outperform or underperform relative to bitcoin, and this dominance might also change over time. But the price of bitcoin is a starting point to gauge market sentiment. This makes it so much easier to find your way.

And if you're worried about the good old times of cryptos doing a disappearing act like Houdini, opinions are quite divided. Some people believe that we experienced all-time highs at the end of 2017, while others claim that this is just one of many drops that bitcoin has experienced in the past years. Many point to positive signs like institutional investors starting to look into the crypto space and broader masses of the public finding ways to access the market. Either way, it makes sense to keep an eye out on the cryptocurrency market. And remember from Chapter 5, that *you can actually take winning positions no matter what the market is doing*. If the market is crashing, you can make money shorting. (Remember, this means profiting from an expected low.) So, if you believe that the cryptomarket is doomed and that there's a clear continuing downward trend, you could always use NAGA Trader and go short on major cryptocurrency pairs. Or you could buy currencies at the current price dip (as of summer 2018) if you believe that there is indeed future potential for prices to rise again. One way or another, you can make it work for you—do you think the wealthy of this world only know how to gain from ups, and not downs?

In this chapter, we introduced the NAGA Exchange as the NAGA World's secure and regulated cryptocurrency trading platform. It allows everybody to trade cryptocurrencies directly and make money by following trends without having to know everything around cryptography. Now, let's move on to more possibilities.

CHAPTER 9

NAGA Wallet—Storing and sending money

Chapter 3 already introduced the NAGA Wallet as a useful tool in the NAGA World for storing, managing and transferring your assets. In addition to it being a useful tool, you can also directly make money with the NAGA Wallet.

1) Making money by inviting your friends to join you storing

This section follows the same principles as set out in Chapter 5. You can make money by being social, by being funny, by having a social media follower base or simply by talking to people. (Such people are what Malcolm Gladwell calls "connectors"—an essential part of any social epidemic.) Get other people to follow your lead and start using NAGA Wallet to store their digital wealth and you'll get a referral bonus. Also think of the social benefits to everyone. The more people use the platform, the larger the user base and the more useful all of the features become. For example, more people that you can use the **"crypto to e-mail"** function with.

Here's how it goes: to start sharing your referral link, click on **"Referral Programme"** in the main menu under the NAGA Wallet section. There you can copy or directly share your unique link. Your bonus comes in the form of free NGCs—namely, you'll get an amount in NGCs equivalent to 5% of any of your friends' NGC purchases credited to your account. That's free money. You can then use the NGC for trading, investing, gaming or education, or you can exchange it against fiat on the NAGA Exchange or pay in a shop with the NAGA Card. Hey presto.

2) Making money by saving on transaction fees

If you're an active cryptotrader or simply crypto holder, then you're probably regularly spending money on sending your assets from exchanges to wallets and vice versa. Or if you're sending cryptos to friends and family, you always need to pay some sort of network or transaction fee. While these fees tend to be small in general, they mount up over time. Sometimes, they're very high due to network issues. (At the moment of writing, Ether gas prices have skyrocketed.) If you use the NAGA Wallet, you can opt to pay all your fees in NGC, which gives you 10% of such fees. And if you're conducting inter-NAGA

Wallet transfers, you can use the e-mail address function—it's free, and it also bypasses possible network congestion issues by moving transactions off the blockchain. There's something called *"opportunity cost"* in economics—simply put, not saving money you could save is a cost just like any other fee you pay. How often people overlook this. You're already making the aforementioned transactions; the NAGA Wallet enables you to make the same transactions but more cost-effectively. The more assets you save—you know the rest—the more assets you have to spend on your favourite goodies or dream holidays.

We can say this chapter very simply explored ways to make money through saving money by means of things that you would be doing anyway: storing, transferring, making payments. The NAGA Wallet enables you to manage your assets so that you can liberate money to spend on fulfilling your dreams.

CHAPTER 10

NAGA Academy and NAGA Brokers—Wealth through knowledge

One of the most ancient and powerful pillars of the NAGA World is its knowledge hub—the **NAGA Academy.** Every community, society or nation needs a place where knowledge is accumulated and shared. The NAGA Academy is one of the most inclusive knowledge hubs that exist by accommodating all kinds of different needs and interests. What the NAGA Academy offers is all kinds of courses—from casual seminars that can be taken for free whenever wanted to flexible micro-degrees, continuing all the way up to paid online as well as offline undergraduate and postgraduate degrees awarded by leading European universities. Subjects or fields of study range from general social science or finance to more specialised areas, such as advanced blockchain courses.

Of course, they don't teach you everything at university. Sometimes, the best knowledge is gained through practical experience. And by having the right coach or mentor. This is where **NAGA Brokers** comes in. NAGA Brokers is running a bootcamp where students are thrown right into the markets, but where they are also given the best guidance possible.

Why are you interested in learning? It's a good question to ask before starting out. But any one of a number of reasons will fit. Here you can learn for the pure joy of learning. Or learn because you want to make money with that knowledge. Or you can get others to learn. Or you can simply focus on making money without studying yourself. If you don't see how that's possible, read on.

1) Making money by helping others to get a degree

Once again, you'll be able to use your social skills, your network or simply your willingness to reach out to those around you to earn money. You can sign up for the NAGA Academy affiliate programme and earn commissions on any person that signs up for a paid course by following your lead. You can see it as a way of helping NAGA Academy earn more revenue, which it can then re-invest into studying facilities, material and course offers. And at the same time, you're helping those seeking for courses or degrees find a suitable match. A thought on the subject from John F. Kennedy: "There is only one thing in the long run more expensive than education: no education."

2) Making money by learning everything about economics, finance, cryptocurrencies and the rest of the universe

You can take on the most rewarding but arduous challenge, which consists of learning everything you need to decipher the secrets of economics, finance and business. This is for the knowledge-hungry, the philosophers or as well as the ones that like to take the conventional route of study and work. The NAGA Academy offers courses and degrees that you can study at your own convenience. You can combine this with extra readings, self-studies, research and real-life experience through jobs and networking. Besides, the NAGA Academy is great for building networks, given the presence of like-minded people at the Academy as well as the stock listed and well-connected company behind the Academy. You'll be able to develop your knowledge and expertise and eventually be able to join the ranks of the reputable firm of your choice, build your own successful business or maybe even join the cogs of the NAGA World.

3) Making money by sending your kids to a good university!

For those of you who are parents or for those of you who will become parents (which is most people), you probably place a lot of value on raising your kids with the right manners and education. You're likely be very conscious about your kids' choice of school, and want them to learn in order to be able to develop their personality and later on their career. Of course, you can also think about it cynically (and let's not kid ourselves—this is always part of our thinking) and admit that if your child doesn't receive a good education, chances are high that they'll live at home until age 35 (which they might anyway, judging from current house prices) and you'll have to pay for their bills, shopping and holidays over all that stretch of time. You want your child to make their own living once they've grown up. And after investing in your child for more than 20 years, you probably want to start spending some of your money on yourself and your partner. Now that the kids have "flown the coop" (this makes you an "empty nester"), you can finally go take your one-month dream holiday, buy a new Mercedes, or buy some cryptocurrencies without telling your partner. And when you get old and your retirement funds are like a thirsty well in the Sahara, not providing you the luxurious life that you always had, you'll wish that your child has made a good living and has a good enough heart to lend you some money. Which you'll pay back some day after your funeral. Jokes and monetary considerations aside, you can see that there are many good reasons to send your child to a good university. The NAGA World is very keen on providing people with the best possible education and has therefore set up the NAGA Academy in cooperation with world-leading and recognised academic institutions. The first of such partnerships has been established with Alexander College in Cyprus.

4) Making money by joining the bootcamp!

If you have ever been to a bootcamp or the junior scouts, you may have noticed that you learnt a lot in short periods of time just by being on site. You usually have experienced mentors and guides that help you make the most out of your time. The financial market is like a jungle, and it may be hard to find your way through. If you go in without a guide, you're very likely to get lost or to burn money. Before going into the jungle, you might want to visit a jungle bootcamp, get a taste, get guidance in order to be better equipped to make your journey a success. NAGA Brokers is like a bootcamp—experienced and passionate traders teach you strategies and show you market insights while you can apply anything they show you right away on the NAGA Trader application.

In this chapter, we've stressed out the strength of education and knowledge. The NAGA World opens doors for anyone to make money through the NAGA Academy and NAGA Brokers. You can either make money by getting the right guidance to decipher all the secrets of the financial world and the rest of the universe, or you can help others achieve this and receive money as well.

CHAPTER 11

NAGA Partners—Be an ambassador

The NAGA World is a completely open world. No matter what people's passion or interests are, they can find a place where they can turn their passion into wealth. But so far, we've accommodated specific interests and skills, be they numbers, business, social skills, gaming, cryptocurrencies, technology or something else. The last puzzle piece that is missing is thus potentially the nearest thing to an all-encompassing path to turn passion into wealth.

The idea was already introduced in Chapter 5 but on a smaller scale. The NAGA World's embassy is a place where anyone with any type of connections can become an ambassador. No matter whether financial elitist, sports champion, cat lovers on YouTube or gym coach—anyone who can reach out to people can become an ambassador. The NAGA Partners programme accommodates anyone from tied agents, introducing brokers, to YouTube stars, Twitter legends, website owners or simply anyone who's willing to spread the word about the NAGA World to a larger public. Generous rewards are given to all ambassadors and can also be independently negotiated.

Any world needs an embassy. This is important, as we would like everyone to know that an exciting journey awaits anyone with the right passion. As the world grows, its benefits grow. More citizens means more knowledge to be shared in the chats and forums, more virtual swords to be traded among interested people, more chances to sell your bitcoins to others and more demand for our currency, which means higher exchange rates that let you afford more items in the outside real world!

Epilogue

There you go! From maybe not even having a bank account or knowing what virtual goods are, you now have all the tools and weapons in your hand to be what they call "fully financially included"—and the best thing is, you don't even need to have money to get started!

To summarize—you now have a wallet for digital currencies, you have an account for fiat money, you have a debit card to directly spend them, you have a social network for people who want to make money and you have (or will have) a marketplace to exchange in-game items. And you have an extensive list of options to choose from when deciding how to start earning. And how to turn your passion into wealth. Are you on board?


COIN
WEALTH
CYBO
CARD
STOCKS
MARKET
TRADER
VIRTUAL
ACADEMY
GUARD
EXCHANGE
PARTNERS
BROKERS
LOCAL
WALLET

About NAGA

NAGA is the embodiment of our vision to let everybody turn their passion into wealth.

Behind this vision stands The NAGA Group AG (NAGA), a German publicly listed FinTech company with a focus on financial markets, digital currencies and virtual goods. Founded in 2015, NAGA successfully IPO'd in 2017, and then acquired the world's second largest ICO investor base (at the time) with more than 63,000 subscribers in the NAGA token sale (which raised more than 50M USD) just a few months after the company's debut on the Frankfurt Stock Exchange. NAGA is backed by some of the world's largest and most prestigious companies, such as Mainland China's largest private multi-hundred-billion investment company, FOSUN Group, the German Stock Exchange (Deutsche Börse Group AG), as well as Germany's second oldest bank, Hauck & Aufhäuser (founded 1796). With our trading volume already exceeding 5 billion dollars per month, NAGA's products allow everyone easy and simple access to acquire, store, trade, and invest in financial markets, digital currencies and virtual goods. NAGA also owns several EU financial markets licences.

Glossary

Alpha strategies	Strategy that tries to produce results and absolute returns (hence absolute "return strategies") regardless of any benchmark's performance
Beta strategies	Strategy that tries to mirror and possibly outperform a benchmark index
Blue chips	Originally used in poker, where the blue chips have the highest value. In the stock market these are large, major companies
Cryptocurrencies	Also called digital or virtual currency—designed to work as a medium of exchange and based on cryptography
Drawdown	The difference between the peak (highest point of the chart) and the trough (lowest point)
ETF	Exchange Traded Fund—A fund which follows the price of an index or a basket of assets and can be traded like a common stock at a stock exchange
Funds of funds	Investment strategy in which a fund invests in other types of funds

Hedge funds	Basically an investment fund that pools capital and invests in a variety of assets often with the usage of leverage and higher risks than normal funds—hedge funds are the pure form of "alpha" and "absolute return" strategies
IBAN	International Bank Account Number, number to identify bank accounts across national borders
Index	Measurement of a section of the stock market that combines different prices of a variety of selected stocks
Macro trader	Those who look for patterns in the underlying fundamental economic data
Market neutral strategies	Strategies that don't take market risk—it involves opening spread positions (both long and short) that are always hedged. The idea is to monetise on the difference between instruments, markets and locations, rather than speculating on the price going in a specific direction
Midcap	Company with a market capitalisation between 2 and 10 billion USD
Momentum trading	Momentum is the acceleration of a price movement. A trader that follows a momentum strategy will e.g. purchase stocks that have recently risen in price
Leverage	Leverage means investing more money in the market than you have in your trading account. It is a way to increase the return or to minimise the investment
Long (verb)	Buying of a security, an instrument, stock, etc.—traders profits when the price increases

Pips	Percentage in point, a unit in foreign exchange trading in which the price change of a currency pair is indicated
Portfolio theory	Theory how risk averse investors can optimise the expected return with a given level of risk due to diversification
Short (verb)	Selling of a security, an instrument, stock, etc.—traders profit when the price falls
Skins	Custom texture of weapons or characters in video games in order to change their appearance
Slippage	Difference between the expected price of the trade and the price at which the trade is executed; often due to high volatility or low liquidity
Spread strategies	Buying or selling of an equal number of financial instruments, such as options or futures on the same underlying security, but with different strike prices or termination dates
Stop fishing	Also called rubber bands—the trading desk of a broker or a bank affects the price of the instrument to trigger ("fish") the stop loss of the trader and close the trade in order to raise its own profits. Sometimes they even buy or sell their own positions to drive the market into their desired direction to "fish" such stop losses
Stop loss	Are set to reduce the risk of the trades; automatic buy or sell when the price reaches a specific point
Virtual goods	Also called in-game items, basically non-physical objects or money purchased for usage in online games or communities

Short overview of financial instruments

CFD is an abbreviation that stands for contract for difference. A very unfortunate name as it is hard for people to relate to it. A CFD is basically a contract between you and a broker whereby you agree to pay out price difference on a stock (or other financial instrument). As opposed to buying or selling the actual stock, gains and losses on trades are simply exchanged in cash between you and the broker. CFDs have become very popular since they combine all the advantages of owning stocks with the ability to use leverage—i.e. to invest more money than you own. NAGA Trader predominantly works with CFDs even though it feels just like trading the actual stocks. The only significant difference is that it adds the concept of OTP (see "other people's money") through leverage, which you can—if used correctly—diversify more effectively and thus increase your returns.

Commodities denote basic resources that are mostly used as inputs in the production of other goods and services such as food, industrial goods or energy. In finance, commodities are usually traded on exchanges and via the intermediary of financial contracts known as futures. In order to be tradable on an exchange, the commodity in question must meet a minimum level of quality, known as basic grade. Futures contracts are specific in the sense that they define the quantity, quality, date and location of delivery of a commodity at an agreed price. A special significance among commodities have precious metals such as gold and silver, as well as crude oil.

Derivatives is an umbrella term for financial contracts whose value is "derived" from an underlying asset. This means that the price of the derivative is determined by the value of the underlying asset. CFDs are one type of derivatives—their value is derived from the underlying assets such as for example stocks or indices. Other derivatives include futures, options, forwards, etc. They are commonly used for hedging (reducing risk exposure) or for speculation and often include leverage (such as CFDs).

Forex (FX, Foreign Exchange) is a global decentralised or over-the-counter (OTC) market for the trading of currencies. This market determines the foreign exchange rate. It includes all aspects of buying, selling and exchanging currencies at current or determined prices. In terms of trading volume, it is by far the largest market in the world. Forex is usually traded in contracts with a value of USD 100,000. This is called one lot. You have to invest usually about 3% of the value to trade one lot.

Indices itself are no directly tradable financial instruments, but simply groups of a certain number of financial instruments, together in a kind of basket and virtually representing their joint development. A good example of this is the Dow Jones index, which tracks the performance of the 30 largest companies in the US. But indices can be traded on financial instruments that have been created especially for this purpose. These can be for example ETFs, futures or even CFDs.

Shares represent a fraction of ownership in a business. A business may declare different types (or classes) of shares, each having distinctive ownership rules, privileges, or share values. Not all shares are traded on the stock exchange, only the shares of publicly listed companies can be traded on the stock exchange. As of 2015, there are a total of 60 stock exchanges in the world with a total market capitalisation of $69 trillion.