

# Biography

Richard Ahrens first became involved in the capital markets in September of 1987. On the advice of a friend who was an experienced investor, he bought some shares in a new mutual fund. A month later, he learned that stock trading was not quite as easy as some people tell you it is. On Monday, October 19th, 1987, the market suffered a meltdown that wiped out 70% of his investment.

After 1987's "Black Monday" Richard stayed away from the market for a couple of years. But then he started seriously studying the financial markets in 1989. He did a lot of self-directed research, subscribing to numerous publications and reading dozens and dozens of books.

In 1990 he decided to write his own market analysis software. A lot of his colleagues thought he was wasting his time since so much software was available at reasonable prices. But he said that if he was going to really understand how the tools worked and what the indicators were saying, he needed to dig into them with both hands.

Late in 1990 he joined the Dallas Traders Group where he had the opportunity to exchange ideas with investing veterans like Linda Satterfield, Greg Morris and John Ring. Eventually, the Dallas Traders Group became affiliated with the MTA, Market Technician's Association, and Richard was able to attend seminars with technical experts like Richard Arms, Ted Todd, and Ralph Acampora.

When he moved to the San Francisco area in 1992, Richard joined the TSAA, the oldest technical analysis organization in the country. There he learned from fellow technicians and was able to attend classes with people like Sherman McClellan and Hank Pruden. Meanwhile, he began to correspond with Kennedy Gamage and others to increase his depth of understanding in specific areas.

Soon he began to study mathematics, concentrating on time series analysis and non-linear dynamical systems -- chaos theory and complexity theory. In addition to reading widely he corresponded with mathematics experts like Dr. John Casti of the Santa Fe Institute.

In 1994, Richard's research was featured in an article in Fortune magazine where he was described as a "full-blown rocket scientist" in the area of technical analysis. As a result, he was hired as Chief Market Strategist for Fulcrum Trading in 1995 and worked there for several years. During that time he became a member of the invitation-only investment group known simply as "The Gurus."

A software engineer since 1980, by the late 1990s he started working on improving existing technical indicators and developing his own. In 2000, Richard invented his own moving average system. Extensive testing showed that it is even smoother than an equivalent Laguerre Transform and could operate with periods as short as 2 data samples. A year later he became the first person to solve the problem of automatically detecting channels in price data. (Many programs can map a channel when the user specifies the endpoints. Richard's algorithm locates the endpoints without human assistance.)

In 2002 he was working as Business Information Manager for Sun Microsystems. In his department, many Sun employees had suffered serious losses in their 401K accounts and employee stock purchase plans during the Dot-COM market crash. The next chapter in his market research was launched in late 2002 when he went out to lunch with several other Sun employees one Friday.

The conversation eventually turned to the 50% drop in the markets and the 95% drop in Sun stock. All

of their retirement nest eggs were badly damaged and at lunch one of them turned to Richard and asked the question, "Well, now what do we do?"

The other employees knew that Richard had been studying the capital markets since 1990 and had been doing fairly well at tracking the ups and downs of the market. Unfortunately, as the bear market got started in earnest in 2000, he was immersed in studying for his Java Instructor's certification and was not paying attention to the market. By the time he saw what was going on he, like everyone else who noticed too late, could only watch as the bear market ran its course.

But by spring of 2003 he worked out a method of periodically rebalancing their 401k holdings that kept their money out of the mutual funds that were losing ground. Rather than chasing performance, the objective was simply to minimize losses. He set up an in-house website to show everyone in the employee investors group which mutual funds were doing all right and which ones to avoid.

A few years later, a manager at Promontory LLC read one of Richard's white papers and hired him as Director of Research for their private hedge fund.

In 2012 Richard changed companies and opened the public website TrendLineDynamics.COM to help individual investors with a disciplined, rule-based approach to investing. The goal was to provide individual investors with a way to limit draw-downs while generating satisfying, risk-adjusted returns over time.

A few years later he started writing a weekly newsletter to provide objective market analysis and guide readers in Dynamic Asset Allocation using ETFs across a range of asset classes including global equities, bonds, and commodities. His overarching goal was to provide readers with a consistently profitable return throughout all phases of market cycles.

In 2017 Richard worked as a research assistant for John Mauldin when John was starting work on a new book about the future, called *The Age of Transformation*.

As part of his efforts to help new investors succeed, Richard began studying the psychological aspects of investing. He read books by Dr. Van Tharp, Mark Douglas, Dr. Roland Barach, Doc Severson, Robert Krausz, James Montier, and watched numerous training videos by Dr. Rande Howell and others.

At this point, Richard is acknowledged as a senior market analyst and investing coach with over 30 years of experience in the financial markets. During that time he has gained an extensive background in time series analysis, non-Gaussian Levy distributions, and complexity theory. He has worked as an adviser to institutional and private investors and he is an internationally-published author of articles on quantitative analysis and technical trading. He has also coached individual investors for 20 years.

A computer programmer with over 40 years experience, Richard has written over 500,000 lines of market analysis code, worked out improvements to classic market indicators, and developed powerful new technical analysis tools and moving averages.

At this point he is studying longer-term, dividend investment, in which fundamental analysis is just as important as technical analysis.

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In addition to his background in business and finance, Richard studied Shotokan Karate from 1960 to 1980, earning a 3<sup>rd</sup> Degree Black Belt. During his time in the Air Force he spent 4 years in Asia, and got to study in training halls in Japan, Korea, Okinawa, China, and Thailand. After returning to the United States, he started studying T'ai Chi Ch'uan an 1975. He earned his instructor certification in 1980. He still teaches classes today and is widely recognized as a senior instructor and an authority on the art.