

Adjustments for a 3-for-2 Split

In a 3-2 stock split, each 100 shares previously purchased is now 150 shares. This split will require some changes to how you continue the Snider Investment Method® in this position.

You will need to adjust your Snider Method recordkeeping. Make these changes before next Trade Day. *You will need to adjust your Individual Stock Purchase Record, Band Rule Worksheet, and Allocated Cash Worksheet.* The rest of this document will explain those adjustments in detail.

You will begin the process by adjusting your Individual Stock Purchase Record and Band Rule worksheet.

STEP 1 – CALCULATE YOUR NEW PRICE PAID AMOUNTS

Because each purchase now represents more shares, your Price Paid amounts will decrease. Enter your original purchase price for each lot of shares XYZ in the Old Price Paid column and divide by 1.5 to calculate your new Price Paid.

OLD PRICE PAID		SPLIT AMOUNT		NEW PRICE PAID
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	
	÷	1.5	=	

STEP 2 – CALCULATE YOUR NEW TOTAL SHARES

The number of shares you own will also change. To determine how many new Total Shares you have, multiply your old Total Shares by 1.5. This information can also be found in your Ally account.

OLD TOTAL SHARES AMOUNT		SPLIT AMOUNT		NEW TOTAL SHARES AMOUNT
	x	1.5	=	

Make sure to transfer both the new Price Paid and Total Shares amounts to your Individual Stock Purchase Record.

STEP 3 – CREATE A NEW BAND RULE WORKSHEET

Create a new Band Rule Worksheet with your adjusted purchase prices. Use the new Price Paid amounts to determine the new Upper and Lower Limits of your Bands. Then record your purchases in the appropriate Band.

You have now completed all the necessary adjustments to your Snider Method worksheets. The following are changes to how you will trade your XYZ position.

STEP 4 – DETERMINE YOUR NEW MONTHLY PURCHASE LEVEL

Buying shares in lots of 100 per month before a 3-for-2 split may cause problems for your New Monthly Purchase Level. After the split, you would be buying 150 shares each month. But you won't be able to sell calls on the extra 50 shares. The solution to this situation is to alternate purchases of 100 shares with 200 shares, so you are buying 300 shares every two months. You may need to make a one-time purchase of 50 additional shares after a 3-for-2 split so that you will own shares in 100 share increments and therefore can sell calls against all your shares. Make your adjusting purchase the next time you buy additional shares.

The table below will help you determine your new Monthly Purchase Level. Your new Level is based on both the terms of the split and your original purchase Level.

ORIGINAL LEVEL OF XYZ	NEW LEVEL OF XYZ
100	100/200
200	300
300	400/500
400	600
500	700/800

From now on, you will purchase XYZ at your new Level. Do not buy shares at your original Level.

You may already be close to or at 10 times your purchase Level. If you have already made ten purchases, you cannot purchase any additional shares. Doing so will cause you to use more cash than originally allocated to the position.

We know that a stock split may cause you some frustration and concern. We are always here to answer your questions and guide you through the process.

**If you have any questions, please contact Snider Advisors
at 888-6SNIDER (888-676-4337) or support@snideradvisors.com**

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