RIA Advice

In this issue of, "This Is Nuts...Again. Reducing Risk As Tech Goes 1999."

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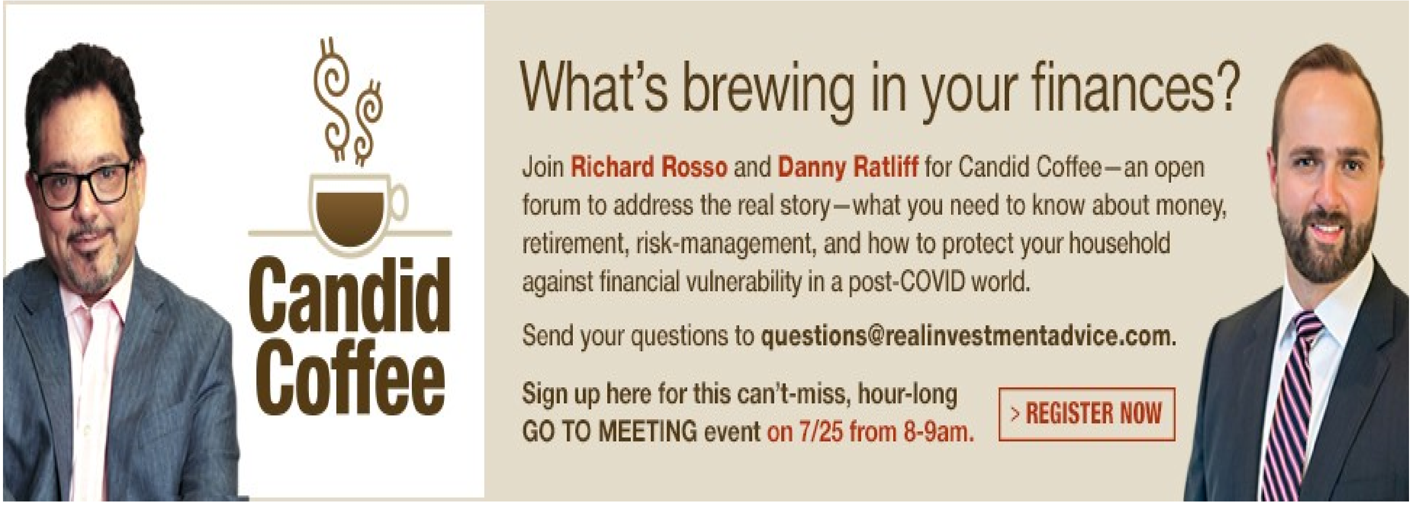
July 25th from 8-9 am

***Send in your questions,* and Rich and Danny will answer them live.**



Catch Up On What You Missed Last Week

#WhatYouMissed On RIA This Week: 07-10-20

Written by Lance Roberts | Jul 10, 2020

Here is what you might have missed from the RIA Crew last week. A compilation of our best blogs, newsletter, podcasts, the daily radio show and commentary from RIAPRO.NET.

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Twice In One Year

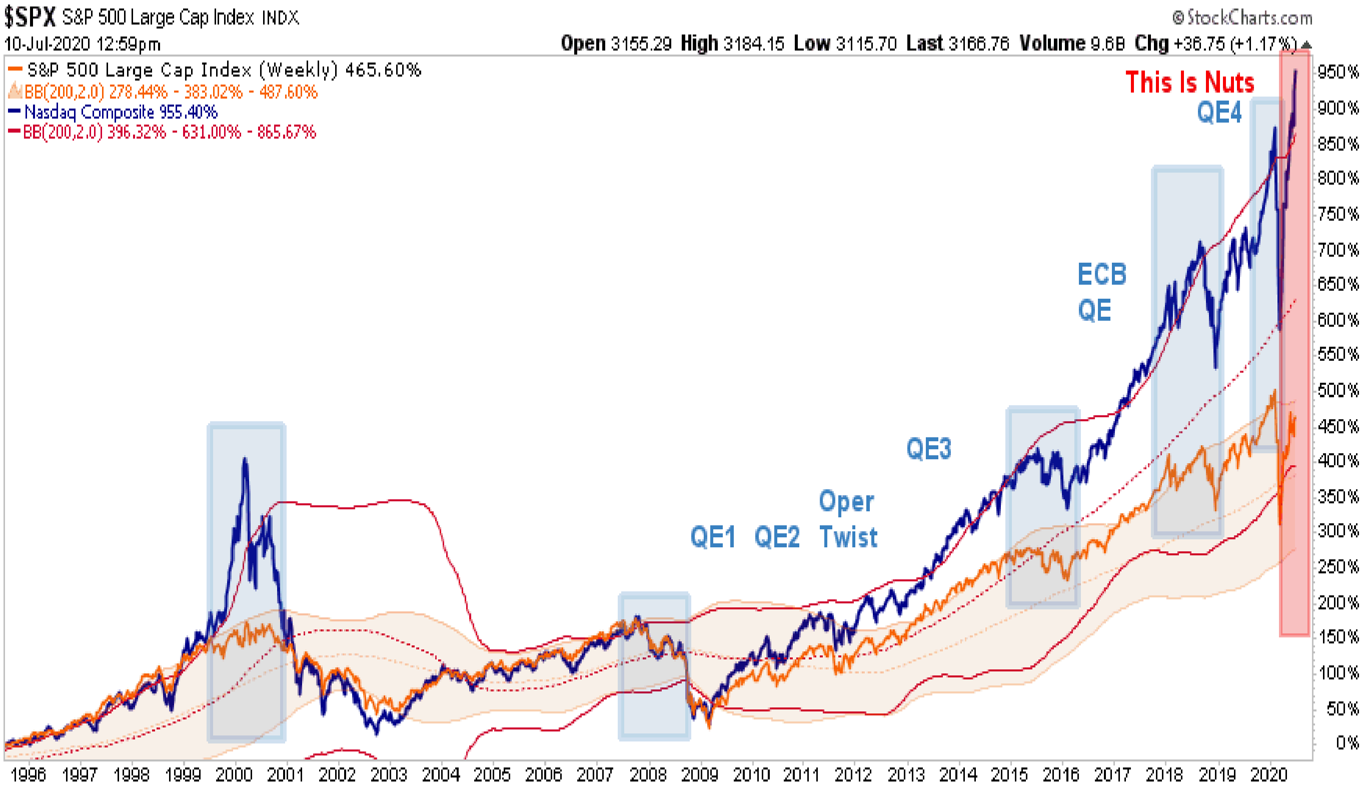
It is a bit hard to comprehend that twice, in the same year, I would be writing primarily the same article. In early January, I penned the following:

> ***"When you sit down with your portfolio management team, and the first comment made is 'this is nuts,' it's probably time to think about your overall portfolio risk. On Friday, that was how the investment committee both started and ended ? 'this is nuts.'"***

At that time, I tweeted the following chart, which compared the Nasdaq to the S&P 500 index. The bands on both charts are 2-standard deviations of the 200-WEEK moving average. There are a couple of things which should jump out immediately:

1. *The near-vertical price acceleration in the markets has been a historical hallmark of late-stage cycle advances, also known as a ?melt-up? phase.*
2. ***When markets get more than 2-standard deviations above their long-term moving average, reversions to the mean have tended to follow shortly after that.***

That was so 6-months ago. Here is where we are today.



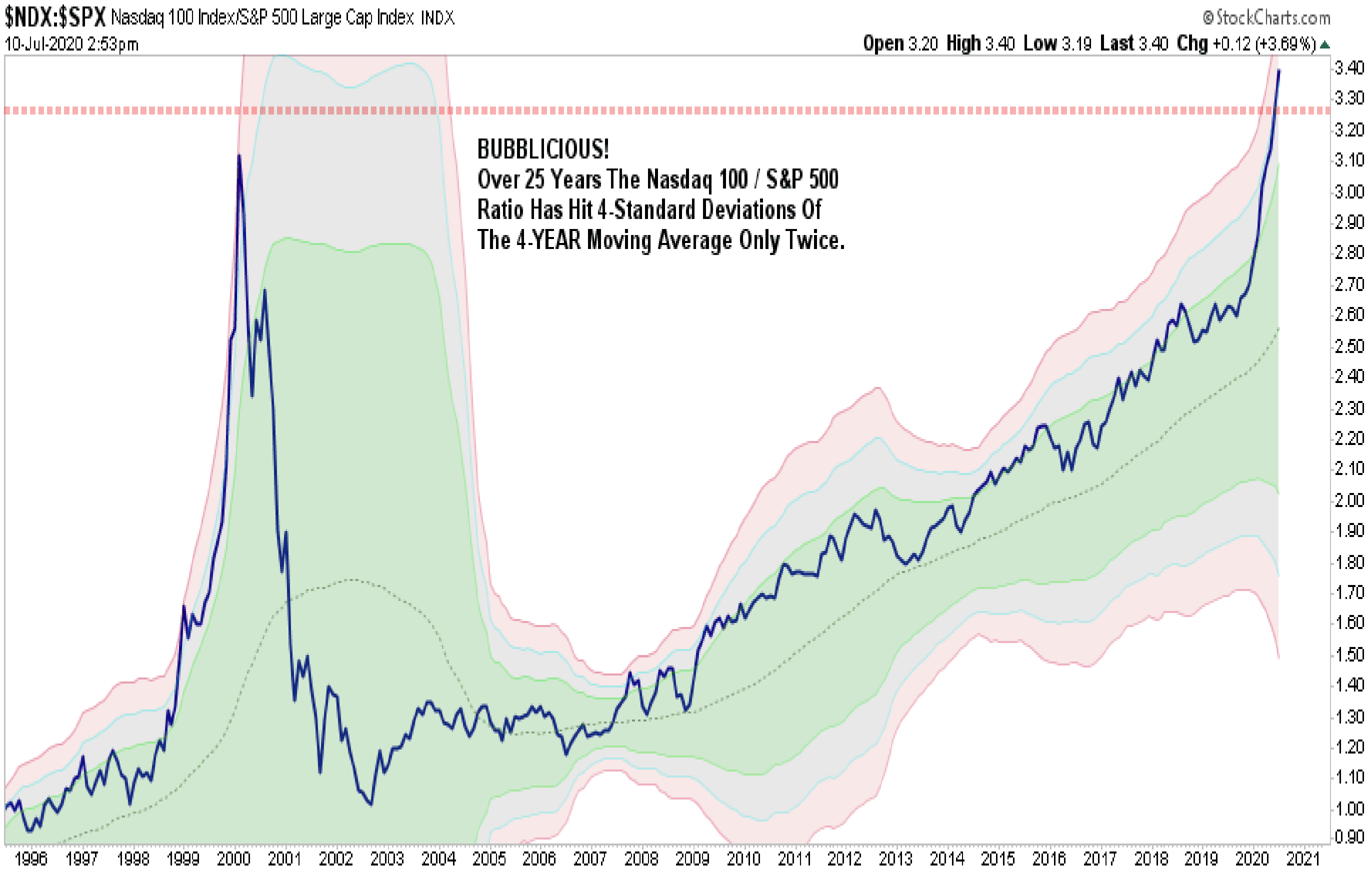
As I warned then, not only has the price of the Nasdaq gone parabolic, this time it is pushing **3-standard deviations of the 200-dma.**

Fundamentally Detached

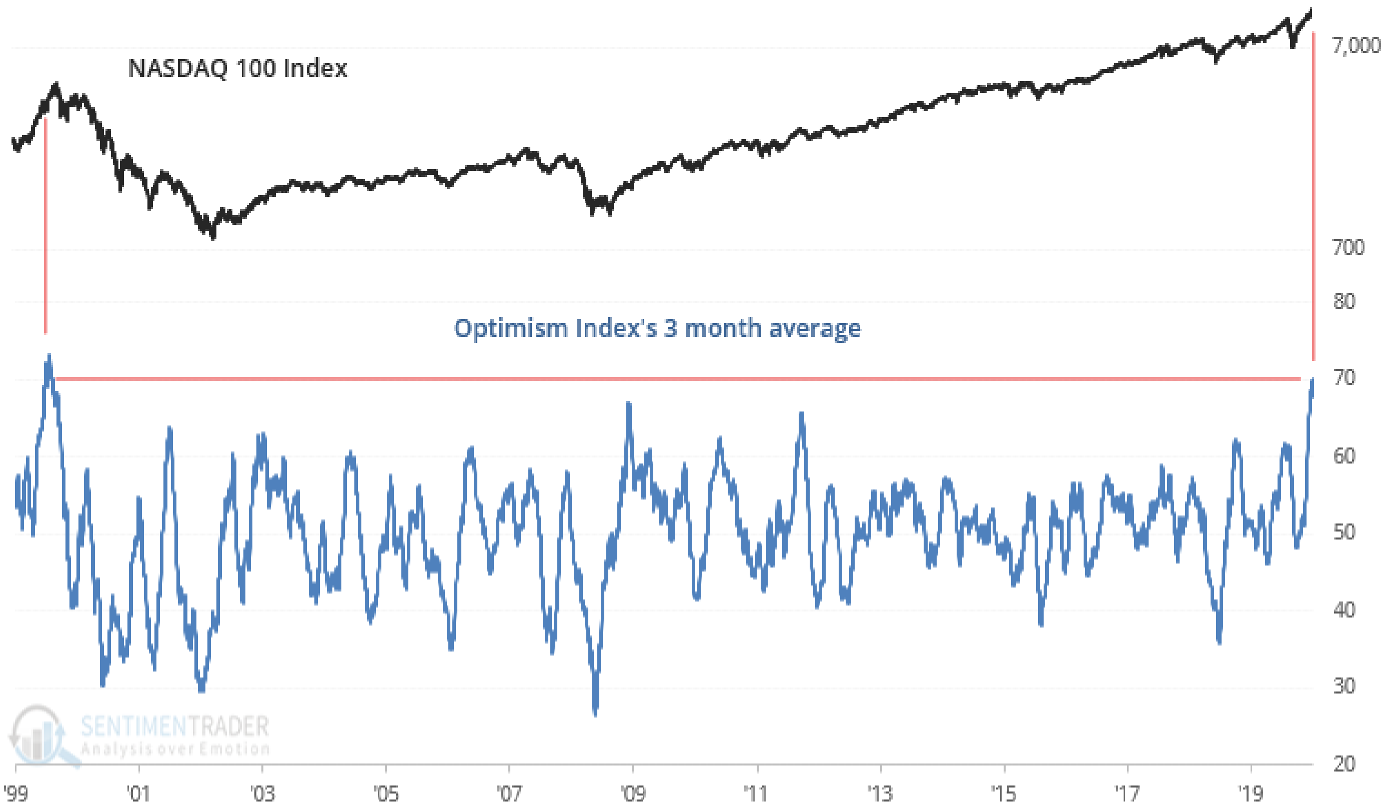
The divergence is particularly notable when you consider the economic and fundamental differences between now and then. *(While we are discussing the Nasdaq, to maintain consistency with previous reports, I am using earnings estimates for the S&P 500 to show the relative change.)*

	Jan-20	Jul-20	Difference
Nasdaq Price	9,178.86	10,559.54	15.04% Increase
GDP YoY Growth Rate	3.97%	-7% (est)	-10.97% Decrease
Unemployment Rate	3.60	11.10	7.50% Increase
Continuing Claims (Mil)	1.76	18.06	16.30 Million Increase
Debt To GDP Ratio	106.75%	123% (est)	16.25% Increase
Fed Funds	1.54%	0.00%	-1.54% Decrease
10-Year Rate	1.87%	0.67%	-1.20% Decrease
2020 Earnings Est.	160.92	91.79	-42.96% Decrease
2021 Earnings Est	171.23	145.66	-14.93% Decrease

When looking at the acceleration in the price of the Nasdaq, and particularly within the small group of stocks driving that advance, you can begin to fathom our concerns. Furthermore, the divergence between the Nasdaq and the S&P 500 index is emulating the late 90's. *(The horizontal red line is where the ratio was last Friday just for perspective.)*



Optimism in the Nasdaq 100 has also reached levels of exuberance seen only once previously in the last 25 years. Yep...the late 90's.



Yes, *"This Is Nuts."*

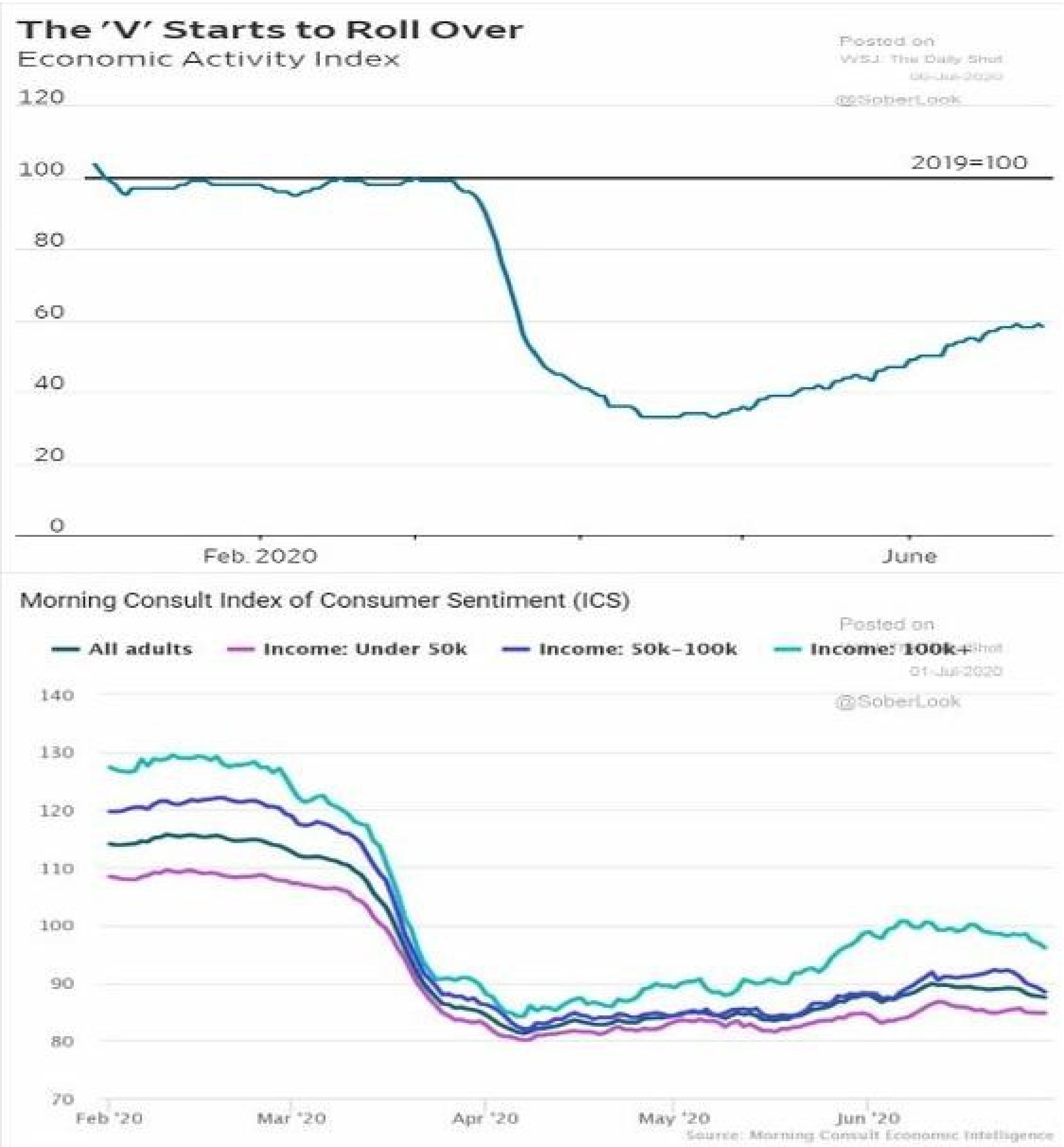
For the second time in a single year, we have begun the profit-taking process within our most profitable names. *Apple, Microsoft, Netflix, Amazon, Costco, PG, and in Communications and*

Technology ETF's.

> *(Note: Taking profits does not mean we sold the entire position. It means we reduced the amount of our holdings to protect our gains.)*

As discussed in this week's **[#MacroView (below),](#)** the *"bearish case"* does have *"teeth"* and should not be summarily dismissed. As Doug Kass noted this past Monday:

> *"Several key labor-intensive industries - education, lodging, entertainment (Broadway events, concerts, movie theaters, sporting events), restaurant, travel, retail, non-residential real estate, etc. - face an existential threat to their core. For these industries, they simply cannot survive the conditions they face. For these gutted industries, we face, at best,* ***an 80% to 85% recovery in the years to come****. It should be emphasized that Covid-19 just sped up what was already a secular decline."*



From April through early June, consumer confidence in the U.S. had been steadily, if slowly, rising following its collapse at the start of the COVID-19 pandemic. Amid a rash of new cases across the country, however, that trend has started to reverse.

When the market

historically becomes this detached from the underlying fundamentals, reversions tend to happen fairly quickly.

A Very Narrow Market

In our subscriber service ***(RIAPro - 30-Day Free Trial)*** we recently added a new service with institutional money manager **Jeffrey Marcus of Turning Point Analytics (TPA).** One of his latest notes to subscribers drove home the point we are discussing now. To wit:

> *"**It seems like we have dodged a bullet, yet a look under the surface reveals a much sicker market.** The relative performance chart below shows that while the S&P 500 is still down 1.88%, but TPA?s BIGTECH Index **(the top 8 stock in the NASDAQ 100 by market cap)is up an astonishing 48.99% year to date (YTD).***

> ***The table below shows that these 8-stocks represent $8 trillion in market cap, which is 29% of the market cap of the S&P 500 ($27.3 trillion).*** *TPA ran the numbers*

to see just what effect these 8 stocks have had on an index of 500 stocks. ***The BIGTECH effect has been to add 8.71% of performance to the S&P 500 YTD.***

TPA BIGTECH EFFECT ON MARKET PERFORMANCE

TPA BIGTECH	CUR_MKT_CAP				
AAPL	$1,652,985,338,950				
MSFT	$1,613,983,587,769				
AMZN	$1,536,783,819,956				
GOOGL	$1,023,656,570,488				
GOOG	$1,023,656,570,488				
FB	$694,528,378,548				
TSLA	$253,385,685,459				
NVDA	$251,313,600,000				
TOTAL	**$8,050,293,551,658**				
BIGTECH MARKET CAP				**$8,050,293,551,658**	
RUSSELL 3000 MARKET CAP =				$33,286,079,406,367	
BIGTECH MARKET CAP PERCENT OF ALL U.S. STOCKS				**24.19%**	
S&P500 MARKET CAP =				$27,393,429,708,668	
BIGTECH MARKET CAP PERCENT OF S&P500 STOCKS				**29.39%**	

TICKER	SHORT_NAME	PX_LAST	CHG_PCT_YTD		
SPX	S&P 500 INDEX	$3,170	-1.88		**2020 YTD EFFECT**
.BIGTECH	BIGTECH	$8,693	48.99	**S&P500 WEIGHT (%)**	**ON S&P500 (%)**
AAPL	APPLE INC	$381	29.87	6.14	1.83
MSFT	MICROSOFT CORP	$213	34.96	5.91	2.07
AMZN	AMAZON.COM INC	$3,081	66.74	4.91	3.28
GOOGL	ALPHABET INC-A	$1,504	12.26	1.72	0.21
GOOG	ALPHABET INC-C	$1,496	11.89	1.66	0.20
FB	FACEBOOK INC-A	$244	18.67	2.23	0.42
TSLA	TESLA INC	$1,366	226.51	0.00	0.00
NVDA	NVIDIA CORP	$409	73.67	0.96	0.71
		BIGTECH EFFECT ON S&P500 2020 YTD			**8.71**
		S&P500 WITHOUT BIGTECH 2020 YTD			**-10.59**

Just A Handful Of Stocks

At the time of the analysis, the S&P 500 is down 1.88% for the year. Without the BIGTECH stocks, ***the benchmark would be down 10.5% in 2020.*** *We have mentioned this before, but a healthy rally is one with broad participation. The current rally is very narrow, historically dependent on less than 2% of the S&P 500 member stocks.* ***Such means the overall performance of the S&P 500 is not representative of the market as a whole. It also means the index performance hinges on a very small group of stocks.*** *In addition, TPA Canaries in the Coalmine (table below) shows that the 14-day RSI of the ratio of BIGTECH/S&P 500 is also at 70.87. That RSI level denotes that BIGTECH is overbought relative to the S&P 500.* ***At this juncture, one of two things can happen to make the BIGTECH/S&P 500 ratio less overbought:***

1. ***Stocks other than BIGTECH can rise faster than BIGTECH; or,***
2. ***BIGTECH can fall.***

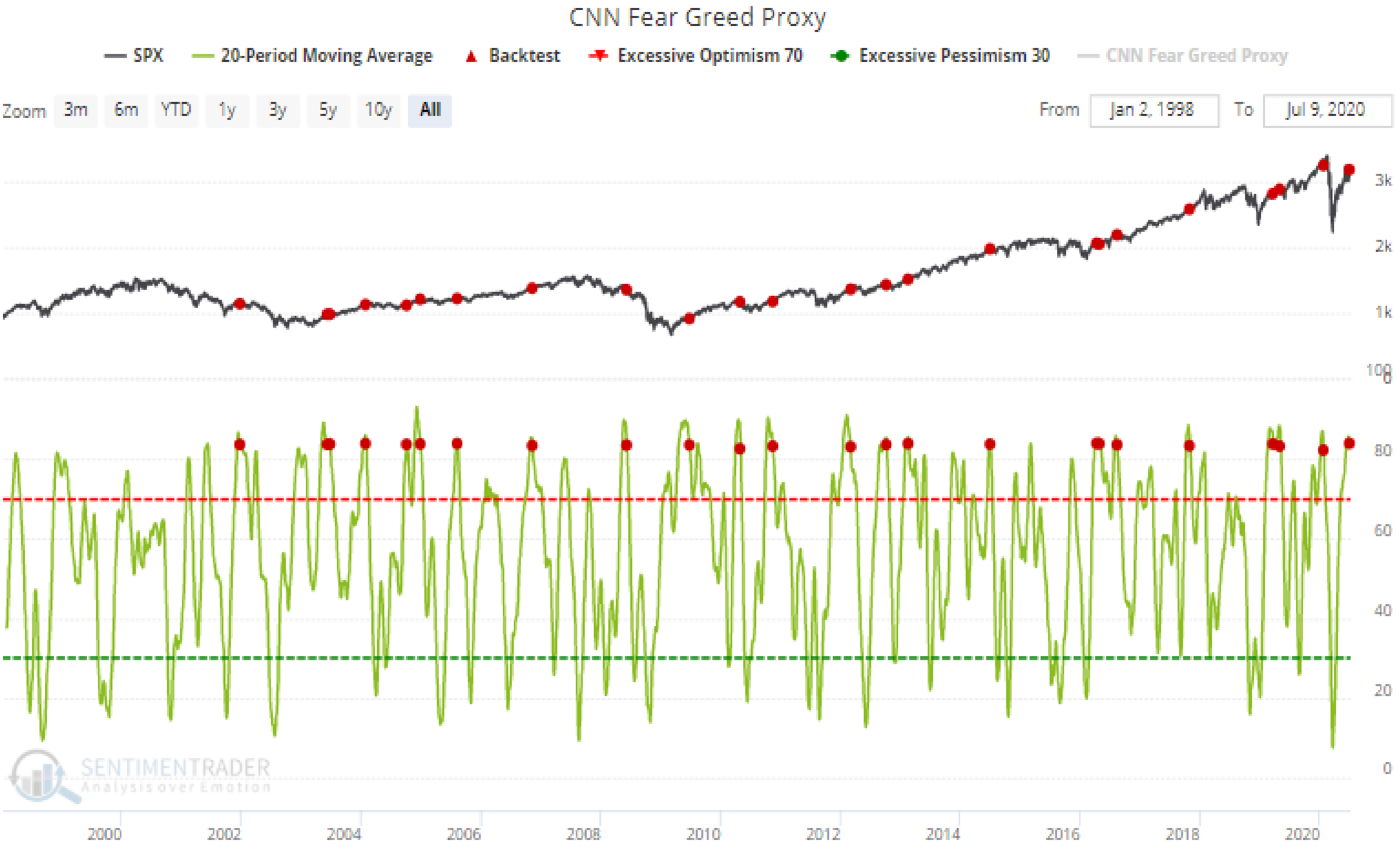
Given how much BIGTECH has meant to S&P 500 performance, investors should pray for the former."

Here is a visual of what Jeff is talking about.

Throughout history, whenever there seems to be a *"Can't Lose Bet"* in the financial markets, you are essentially guaranteed to *"Lose Money."*

Updating Risk/Reward Ranges

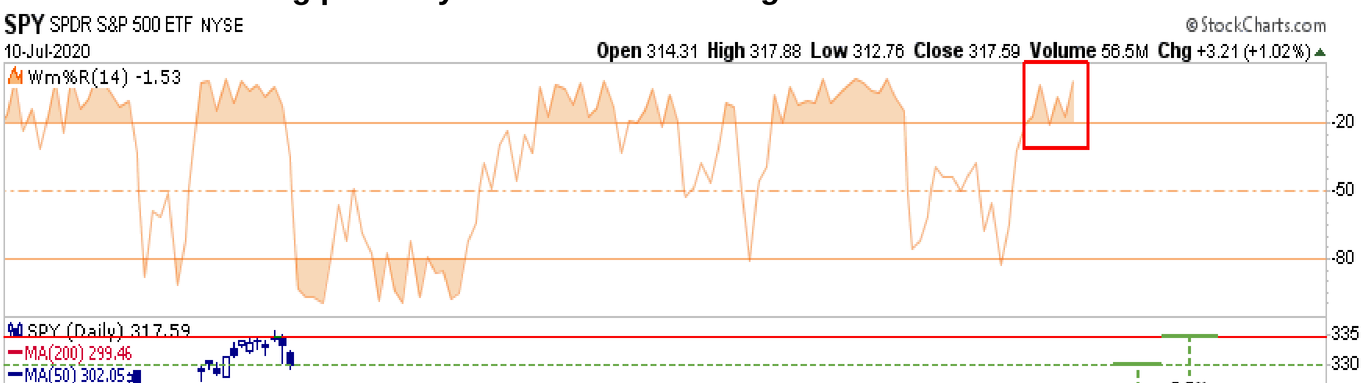
As noted by Sentiment Trader this past week, the CNN Fear/Greed Proxy has turned down recently from very high readings. While this does NOT suggest stocks will crash, it does indicate over the next few weeks returns will likely be more muted with increased volatility.



With this in mind we can update our risk/reward ranges for next week. As ***noted last week:***

> *"The rally reversed much of the short-term oversold condition. While the bulls are in control of the market currently, the upside is somewhat limited. However, the downside risks are reduced with the improvement in the technical underpinnings.* ***Such puts the risk/reward dynamics to a more equally balanced, than opportunistic, positioning. As such, risk controls and hedges should remain for now."***

That advice played out well this past week, given daily swings in the market. While the market was up for the week, it has not reclaimed the June highs. **As such, the consolidation continues with risk/reward remaining primarily *"neutral"* with a *"negative"* bias.**



- ***-2.6%* to breakout level vs. *+1.1%* previous rally peak. (Neutral)***
- ***-4.5 to 5.4%* to 50 & 200 dma support vs. *+4.0%* to January peak (Neutral)***
- ***-7.9%* to previous consolidation peak vs. *+5.5%* to all-time highs. (Negative)***
- ***-14.2%* to previous consolidation lows vs. *+5.5%* to all-time highs. (Negative)***

Reason To Focus On Risk

It seems appropriate to restate something I wrote the last time we saw these types of divergences.

> ***"Our job as investors is to navigate the waters within which we currently sail, not the waters we think we will sail in later.*** *Higher returns come from the management of 'risks' rather than the attempt to create returns by chasing markets. Robert Rubin, former Secretary of the Treasury, defined this philosophy when he stated;*
>
> > *'As I think back over the years, I have been guided by four principles for decision making.* ***First, the only certainty is that there is no certainty. Second, every decision, as a consequence, is a matter of weighing probabilities. Third, despite uncertainty, we must decide and we must act. And lastly, we need to judge decisions not only on the results but also on how we made them.***
> >
> > *Most people are in denial about uncertainty. They assume they?re lucky, and that the unpredictable can be reliably forecasted. Such keeps business brisk for palm readers, psychics, and stockbrokers, but it?s a terrible way to deal with uncertainty.* ***If there are no absolutes, all decisions become matters of judging the probability of different outcomes, and the costs and benefits of each. Then, on that basis, you can make a good decision.'"***

An Honest Assessment

It should be evident that an honest assessment of uncertainty leads to better decisions. Still, the benefits of Rubin?s approach, and mine, goes beyond that. **For starters, although it may seem contradictory, embracing uncertainty reduces risk, while denial increases it.** Another benefit of acknowledged uncertainty is **it keeps you honest.**

> *"A healthy respect for uncertainty and focus on probability drives you never to be satisfied with your conclusions. It keeps you moving forward to seek out more information,* ***to question conventional thinking*** *and to continually refine your judgments and* ***understanding that difference between certainty and likelihood can make all the difference." - Robert Rubin***

We must be able to recognize and be responsive to changes in underlying market dynamics. If they change for the worse, we must be aware of the inherent risks in portfolio allocation models. **The reality is that we can't control outcomes. The most we can do is influence the probability of specific outcomes. Such is why we manage risk by investing on probabilities rather than possibilities.** Such is essential not only to capital preservation but to investment success over time.

The MacroView

#MacroView: The Threats To The Bullish Thesis Have Grown

Written by Lance Roberts | Jul 10, 2020

Since the March lows, the markets have rallied on optimism of a "V-shaped" economic recovery and constant stimulus from the Fed. In recent weeks, the threats to the bullish thesis have grown.

>> Read More

If you need help or have questions, we are always glad to help. ***Just email me.*** See You Next Week **By Lance Roberts, CIO**

Market & Sector Analysis

Data Analysis Of The Market & Sectors For Traders

S&P 500 Tear Sheet

SPY RISK INFO ZACKS REAL INVESTMENT ADVICE

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	13.87%	6.36%	(1.33%)	(120.87%)
Max Drawdown	-35.63%	-35.63%	-35.63%	0.00%
Sharpe	0.40	0.37	(0.03)	(1.08)
Sortino	0.41	0.44	(0.03)	(1.08)
Volatility	25.49	32.64	43.56	0.33
Daily VaR-5%	(29.57)	(39.37)	(72.15)	0.83
Mnthly VaR-5%	(22.06)	(26.25)	(53.98)	1.06

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.85%	1.85%	1.73%	(6.98%)	2.19%	1.67%	(21.34%)	3.16%
P/E Ratio	20.80	18.82	20.60	8.63%	2175%	1628%	(5.3%)	26.49%
P/S Ratio	3.26	3.24	3.49	7.07%	3.57	2.64	(2.38%)	32.20%
P/B Ratio	3.87	4.01	4.37	8.14%	4.42	2.96	(1.26%)	47.40%
ROE	18.15%	18.59%	17.32%	(7.30%)	18.73%	15.06%	(7.52%)	15.03%
ROA	3.42%	3.52%	3.19%	(10.22%)	3.53%	2.81%	(9.60%)	13.62%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	2,349.9	2,262.6	(3.72%)
Sales	63,342	62,754	(0.93%)
SPS	27.0	27.7	2.90%
Earnings	9,527	8,682	(8.88%)
EPS TTM	4.8	4.7	(2.25%)
Dividend	1.6	1.7	2.23%

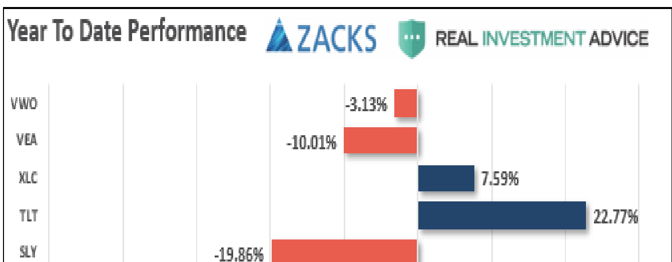
S&P 500 Asset Allocation

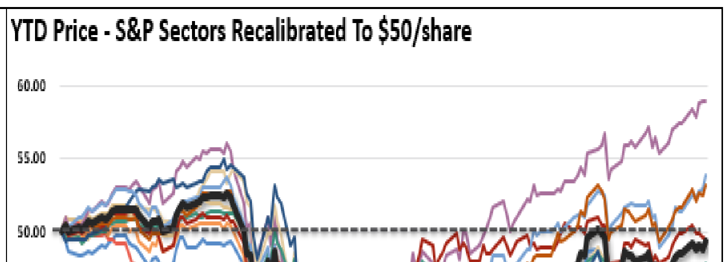
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	(43.05%)	2.64%	1.79	13.75	125.54	11.37	(89.0%)	5.5%	5.9%	7.53%	0.12	291.10
Materials	0.59%	2.52%	1.32	19.33	22.29	13.19	(13.3%)	7.7%	2.3%	5.24%	2.96	20.92
Industrials	(15.06%)	7.79%	1.11	16.14	22.18	14.69	(27.2%)	16.9%	1.9%	6.26%	2.92	24.01
Discretionary	18.01%	11.14%	1.27	32.72	28.91	20.56	13.2%	19.8%	0.9%	3.09%	3.10	40.04
Staples	2.05%	6.89%	0.58	20.59	22.84	17.61	(9.9%)	28.5%	2.8%	4.94%	3.84	19.85
Health Care	7.99%	14.53%	0.80	17.20	19.83	15.10	(13.3%)	29.9%	1.8%	5.78%	6.58	16.63
Financials	(15.66%)	9.84%	1.32	11.86	18.54	10.53	(36.0%)	8.6%	2.6%	8.72%	4.28	13.99
Technology	35.19%	27.65%	1.08	28.65	25.93	14.58	10.5%	42.2%	1.1%	3.49%	5.49	25.98
Telecom	17.29%	11.07%	0.92	23.88	27.06	17.21	(11.8%)	16.2%	0.8%	4.26%	5.69	22.49
Utilities	(5.36%)	3.05%	0.47	18.28	22.04	15.55	(17.1%)	11.2%	3.6%	5.58%	3.76	17.10
Real Estate	(8.07%)	2.80%	0.93	19.02	21.47	16.90	(11.4%)	9.2%	3.3%	5.27%	4.04	19.88

Momentum Analysis

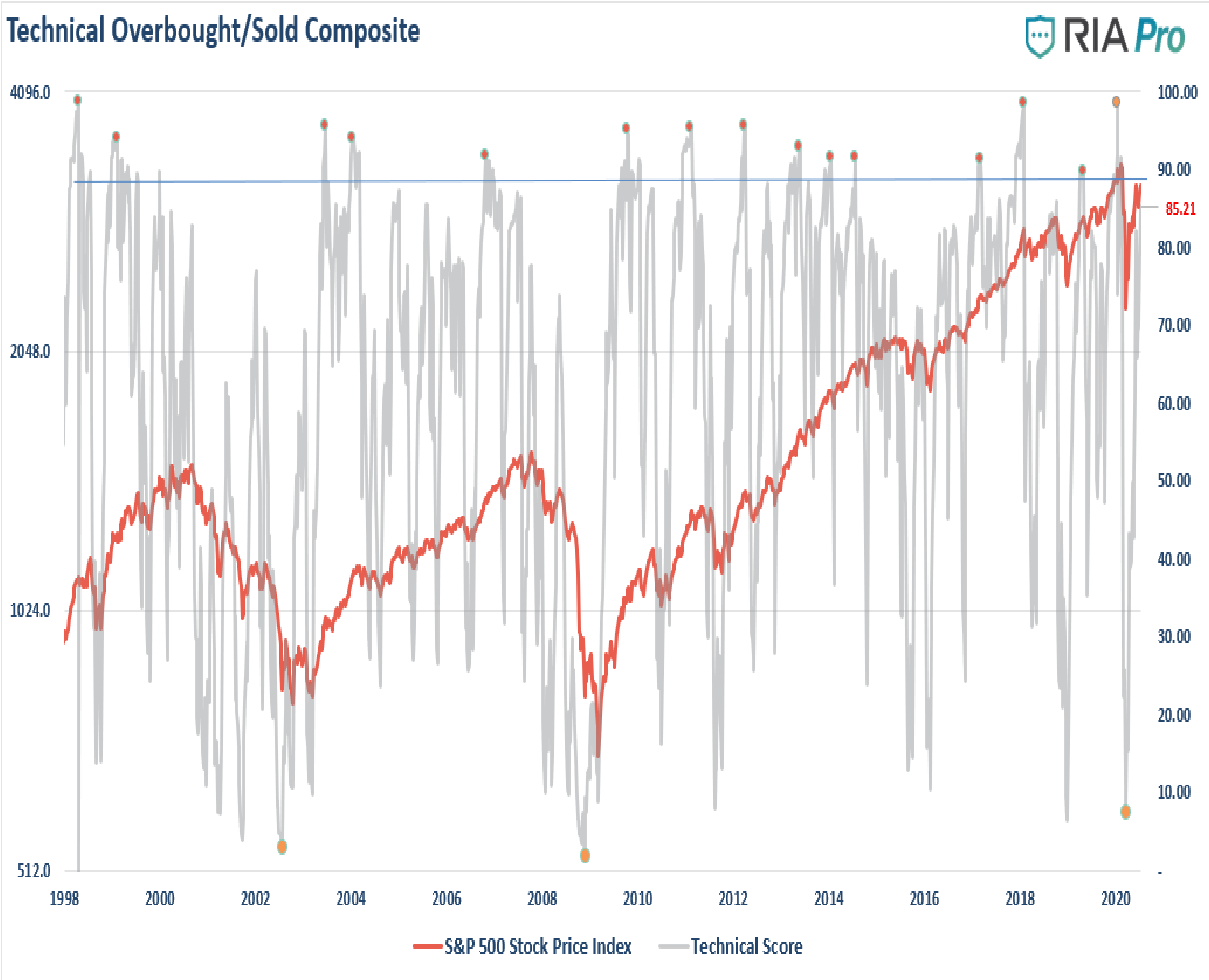
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	317.59	12.31%	303.66	50	4.59%	303.04	10	4.80%	0.20%	(6.34%)	45.51%	Buy
Mid Cap	323.01	11.57%	317.70	50	1.67%	334.74	26	(3.51%)	(5.09%)	(15.99%)	50.78%	Sell
Small Cap	58.06	10.49%	57.04	1	1.79%	62.76	26	(7.48%)	(9.11%)	(21.78%)	42.37%	Sell

Performance Analysis





Technical Composite



Sector Model Analysis & Risk Ranges

How To Read.

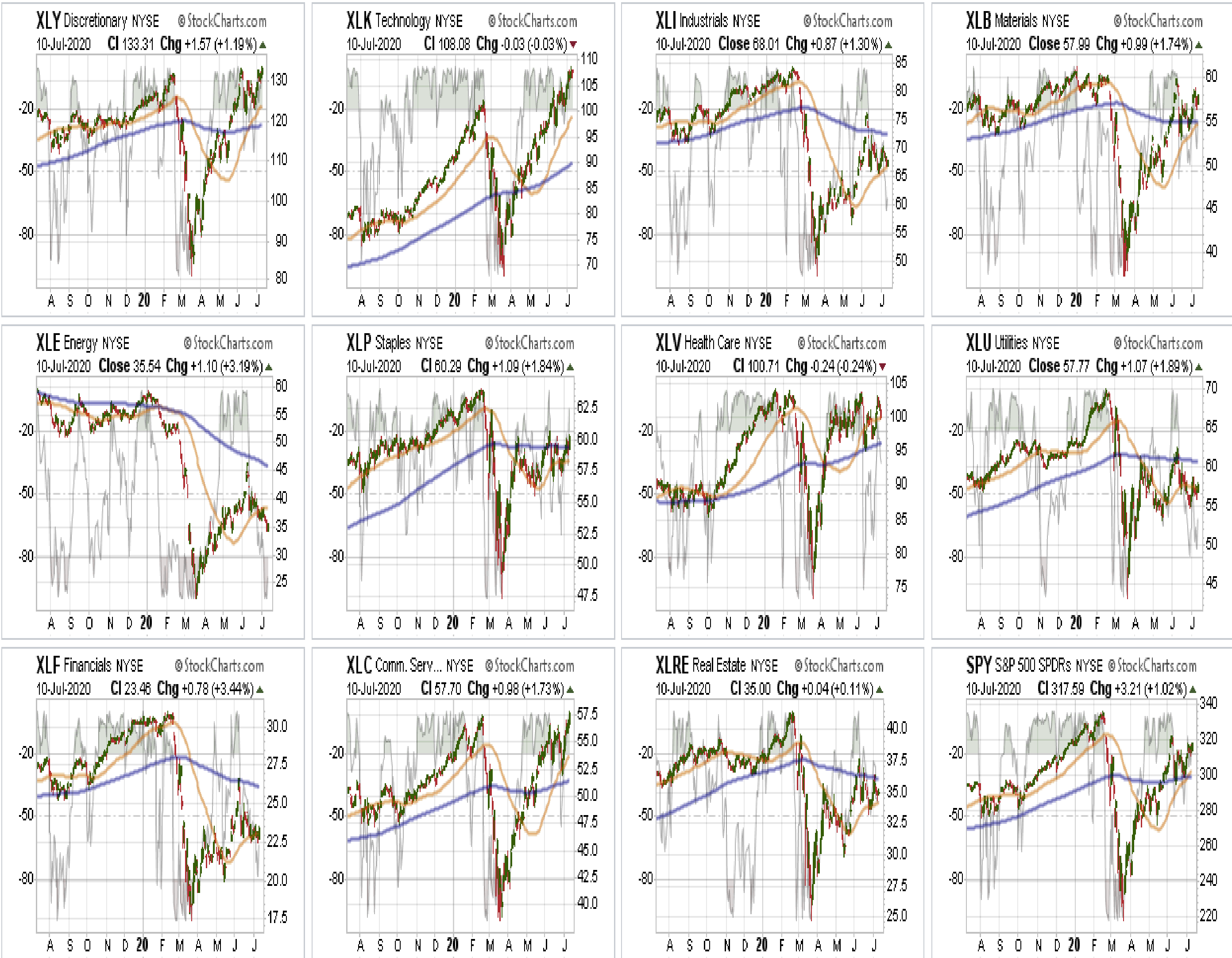
- *The table compares each sector and market to the S&P 500 index on relative performance.*
- *The "MA XVER" is determined by whether the short-term weekly moving average crosses positively or negatively with the long-term weekly moving average.*
- *The risk range is a function of the month-end closing price and the "beta" of the sector or market.*
- *The table shows the price deviation above and below the weekly moving averages.*

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG	MONTH	REL S&P	RISK RANGE		% DEV -	% DEV -	M/A XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	WMA	END PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	318.90	1.74	4.43	10.89	(3.43)	5.43	299.75	304.44	309.69	1.00	317.43	301.95	6%	5%	SELL
XLB	SPDR-MATLS SELS	57.99	(0.94)	0.93	4.49	0.50	(6.08)	53.95	55.28	56.35	1.15	58.41	54.29	7%	5%	SELL
XLC	SPDR-COMM SV SS	57.70	2.79	2.18	8.30	7.04	7.18	52.71	52.05	54.04	0.96	55.91	52.17	9%	11%	BUY
XLE	SPDR-EGY SELS	35.54	(6.56)	(15.18)	(6.21)	(33.80)	(50.27)	37.75	45.56	37.85	1.67	39.43	36.27	-6%	-22%	SELL
XLF	SPDR-FINL SELS	23.46	0.39	(5.99)	(6.11)	(19.37)	(22.59)	22.92	26.07	23.14	1.17	23.99	22.29	2%	-10%	SELL

Sector & Market Analysis:

Be sure and catch our updates on Major Markets (Monday) and Major Sectors (Tuesday) with updated buy/stop/sell levels.

Sector-by-Sector



Improving ? Financials (XLF), Industrials (XLI), and Energy (XLE) Previously we noted that Financials moved into the improving quadrant of the rotation model, but will likely be short-lived. That has turned out to be the case as performance has lagged the S&P. Energy and Industrial performance overall remains inadequate with a failure at the 200-dma. Energy is oversold and cheap on a value basis; we hold our exposures for now. ***Current Positions: XLE*** **Outperforming ? Materials (XLB), Technology (XLK), Discretionary (XLY), and Communications (XLC)** Discretionary, which has gotten very extended, along with Technology, with both sectors very overbought. The upside is limited. We continue to suggest profit-taking, which we did this past week until the overbought condition reverses. **Current Positions: *XLK, XLC* Weakening ? Healthcare (XLV)** Previously, we added to our core defensive positions Healthcare. We continue to hold Healthcare on a longer-term basis as it tends to outperform in tougher markets and hedges risk. Healthcare is now sitting on support and is getting decently oversold. We may see a counter-trend rally in Healthcare as it begins to catch some rotation. **Current Position: XLV Lagging ? Utilities (XLU), Real Estate (XLRE), and Staples (XLP)** Our defensive positioning in Staples, Real Estate, and Utilities has lagged. This past week, we exited our Real Estate holdings for the time being. Concerns over the non-payments of rent are becoming a bigger issue particularly as we head into earnings season. Utilities and Staples remain as part of the *"risk-off"* rotation trade. We see early signs of improvement, suggesting it is the right place to be. If it turns up meaningfully, we will add to our current holdings. **Current Position: XLU, & XLP**

Market By Market

Small-Cap (SLY) and Mid Cap (MDY) ? Both of these markets continue to underperform. As earnings season approaches, they seem very susceptible to more pressure from a weak economy. Both markets are sitting on the last line of support. We maintain no holdings currently. **Current Position: None Emerging, International (EEM) & Total International Markets (EFA)** Emerging and International Markets have performed better recently, and have not declined as much as the market. This past week we took on a small trading position in EFA as performance has improved. EEM is too extended and overbought and is due for a correction. The Dollar will be a big driver going forward. **Current Position: EFA S&P 500 Index (Core Holding)** ? Given the broad market's overall uncertainty, we previously closed our long-term core holdings. We are currently using DIA and SPY as a *"Rental Trades"* to pick up some bulk exposure for trading purposes. **Current Position: *None* Gold (GLD)** ? We currently remain comfortable with our exposure through IAU. Gold is a bit overbought short-term, so we are looking to potentially take some profits and look for a pullback to rebuild exposures. **Current Position: *IAU, UUP* Bonds (TLT) ?** As we have been increasing our *"equity*" exposure in portfolios, we have added more to our holding in TLT to improve our *"risk"* hedge. However, with yields so low, and with the Fed supporting the mortgage-back and corporate bond markets, we swapped our near zero-yielding short-term Treasury funds for Mortgage-Backed and Broad Market bond funds with 2.5% yields. No change this week.

Current Positions: ***TLT, MBB, & AGG***

Portfolio / Client Update

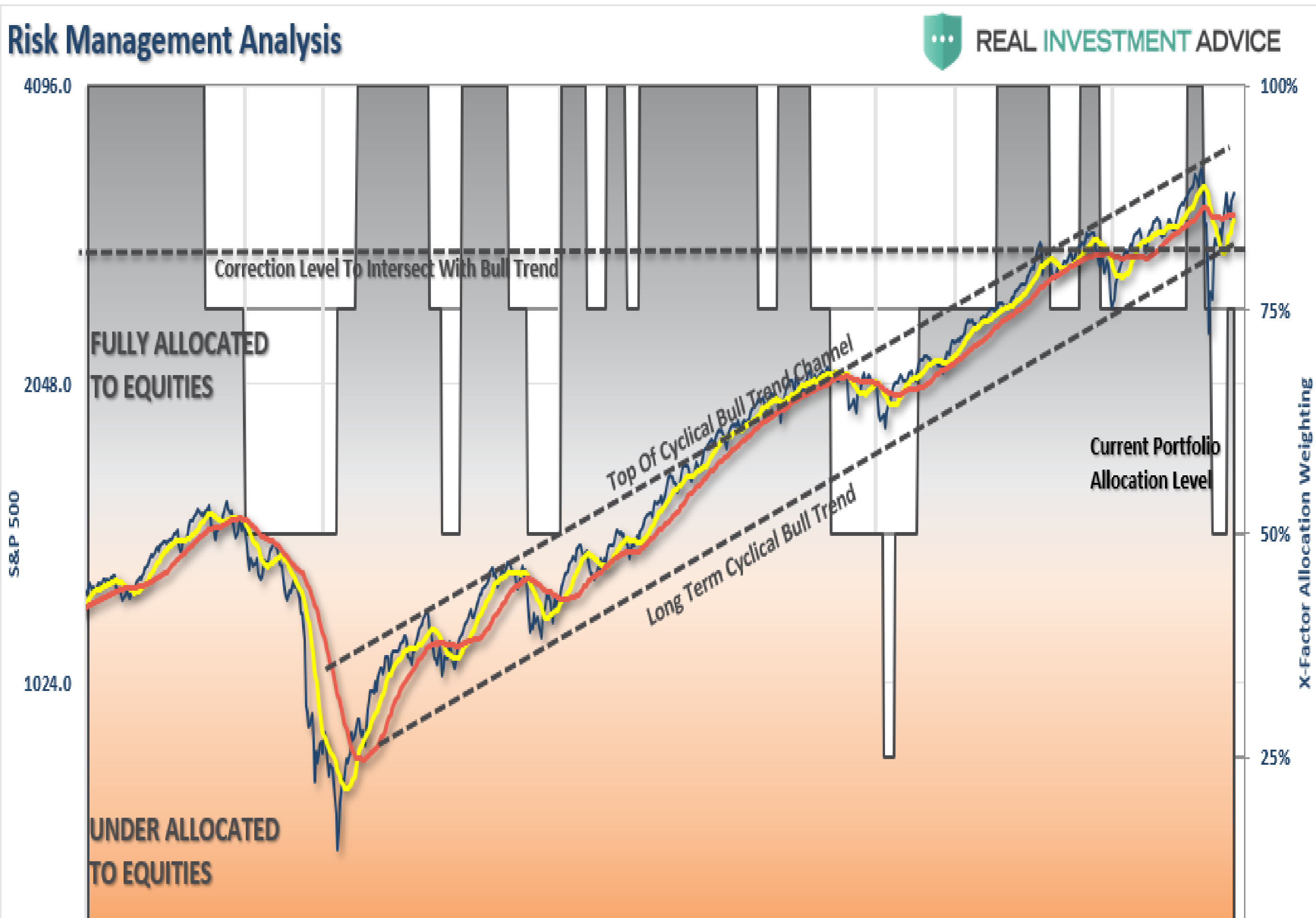
If you did not receive our **Quarterly Client Update** for any reason, please *contact Karen Roan*, and she will send you a copy. We continue to scratch our heads over the rally in the Nasdaq as performance in the S&P 500 continues to soften. Importantly, the areas of the highest fundamental *"value,"* are performing the worst as the fundamentally *"worst"* companies rally the most. Historically, such bifurcated markets tend to have rather nasty outcomes. As such, we have made changes to portfolios to harvest some gains, raise cash, and reduce our risk to the overall market.

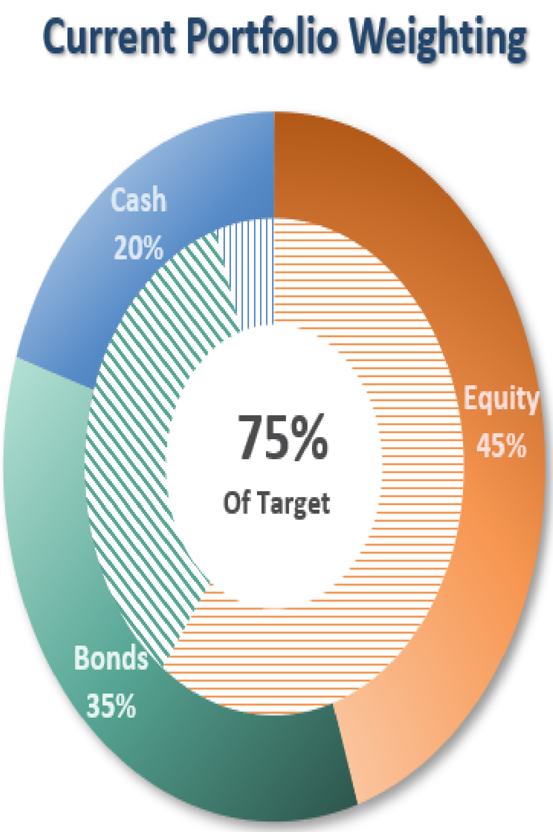
Changes

In the EQUITY model, we trimmed gains in AAPL, MSFT, AMZN, NFLX, PG, and COST, all of which were pushing 3-standard deviations. In the ETF Portfolio, we took profits in XLK and XLC. We removed our entire exposures to Real Estate for both portfolios as there continues to be a rising risk of rent and mortgage payment delinquency and defaults. MPW, WELL, and XLRE were sold in their entirety. We took on a small position in international exposure, using EFA in both models, to offset the risk of a weaker U.S. dollar. Also, global markets are doing better with the virus than the U.S., so there is potential for better economic performance there in the short-term. In the meantime, we are doing our best to maintain some risk controls to avoid being forced to sell emotionally. Please don't hesitate to contact us if you have any questions or concerns. *Lance Roberts CIO*

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors





Current 401k Allocation Model

20.00% **Cash + All Future Contributions**

Primary concern is the protection of investment capital

Examples: Stable Value, Money Market, Retirement Reserves

35.00% **Fixed Income (Bonds)**

Bond Funds reflect the direction of interest rates

Examples: Short Duration, Total Return and Real Return Funds

45.00% **Equity (Stocks)**

The vast majority of funds track an index.
Therefore, select on ONE fund from each category.
Keep it Simple.

20% Equity Income, Balanced or Conservative Allocation
25% Large Cap Growth (S&P 500 Index)
0% International Large Cap Dividend
0% Mid Cap Growth

Portfolio Instructions:

Allocation Level To Equities	Recommendation	When To Take Action
Less Than Target Allocation	Hold Exposure At 75%	Hold Exposure
Equal To Target Allocation	Hold Exposure At 75%	Hold Exposure
Over Target Allocation	Hold Current Exposure	Hold Exposure

Commentary

As discussed previoulsy, the market bounced off support keeping allocations intact for now. Hold positions at current target weights for now. We are still running below our target of 100% equity, but if the market continues to firm up, we will gradually move back to full exposure.

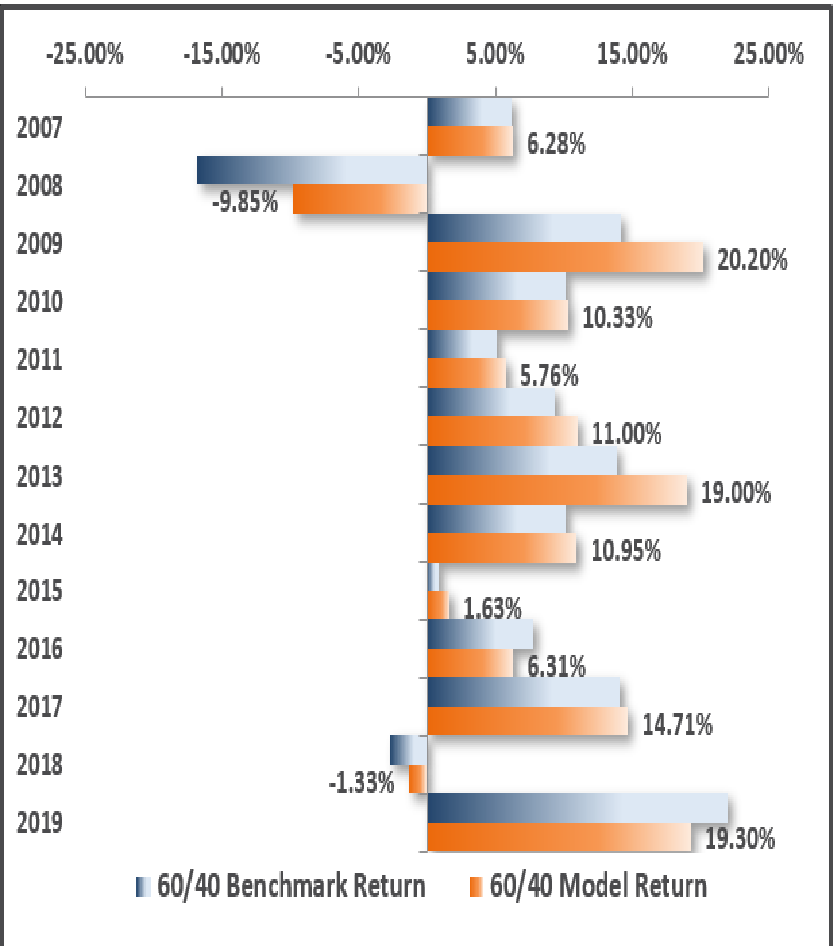
In the short-term the market is extremely overbought, so we need a pullback before we can raise the target to 100% exposure.

No changes this week to models or holdings.

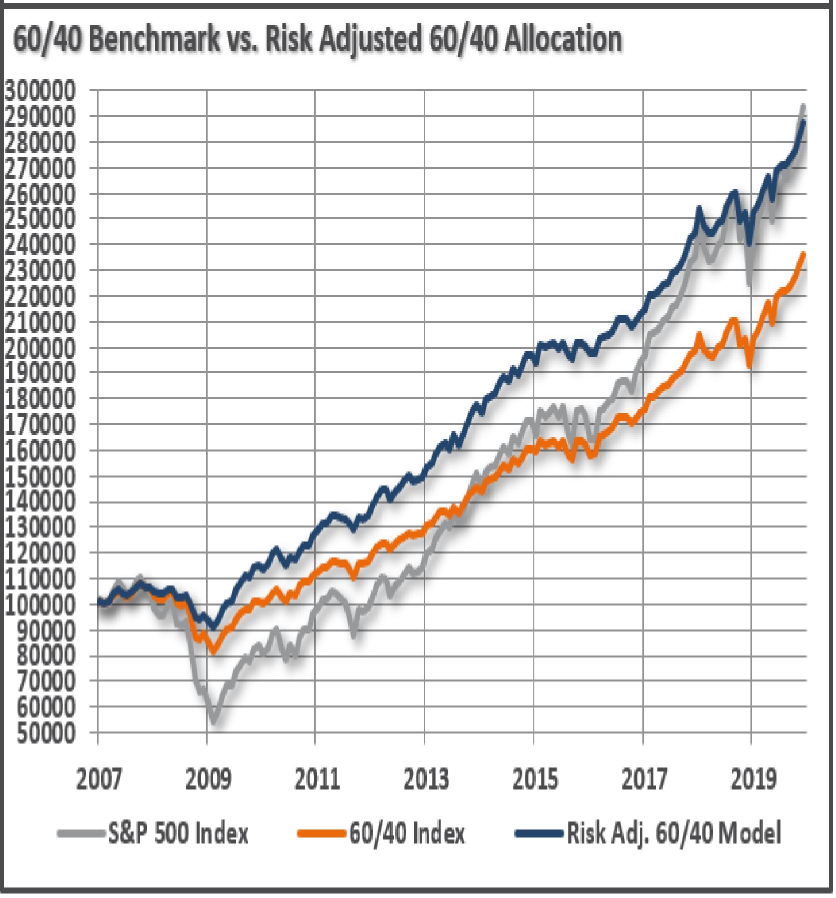
If you need help after reading the alert; do not hesitate to [contact me]

Model performance is a two-asset model of stocks and bonds relative to the weighting changes made each week in the newsletter. Such is strictly for informational and educational purposes only and should not be relied on for any reason. Past performance is not a guarantee of future results. Use at your own risk and peril.

Year	60/40 Benchmark Return	60/40 Model Return
2007	6.15%	6.28%
2008	-16.79%	-9.85%
2009	14.22%	20.20%
2010	10.17%	10.33%
2011	5.14%	5.76%
2012	9.33%	11.00%
2013	13.91%	19.00%
2014	10.08%	10.95%
2015	0.83%	1.63%
2016	7.79%	6.31%
2017	14.12%	14.71%
2018	-2.72%	-1.33%
2019	21.96%	19.30%



Portfolio vs Benchmark Statistics	
Number of Up Years	11
Number of Down Years	2
Best One Year Return Of Benchmark	21.96%
Best One Year Return Of Model	20.20%
Worst One Year Return Of Benchmark	-16.79%
Worst One Year Return Of Model	-9.85%
Benchmark Return 2007-Present	123.78%
Model Return 2007-Present	173.11%
Total Alpha Generated	49.33%
Mean Annual Return Of Benchmark	7.25%
Mean Annual Return Of Model	8.79%
Beta Of Model vs Benchmark	0.86
Jensens Alpha	2.30%
Sharpe Ratio	0.29



401k Plan Manager Live Model

As an [RIA PRO subscriber](#) ***(You get your first 30-days free) you have access to our live 401k plan manager.*** Compare your current 401k allocation, to our recommendation for your company-specific plan as well as our on 401k model allocation. You can also track performance, estimate future values based on your savings and expected returns, and dig down into your sector and market allocations. **If you would like to offer our service to your employees at a deeply discounted corporate rate, [please contact me.](#)**