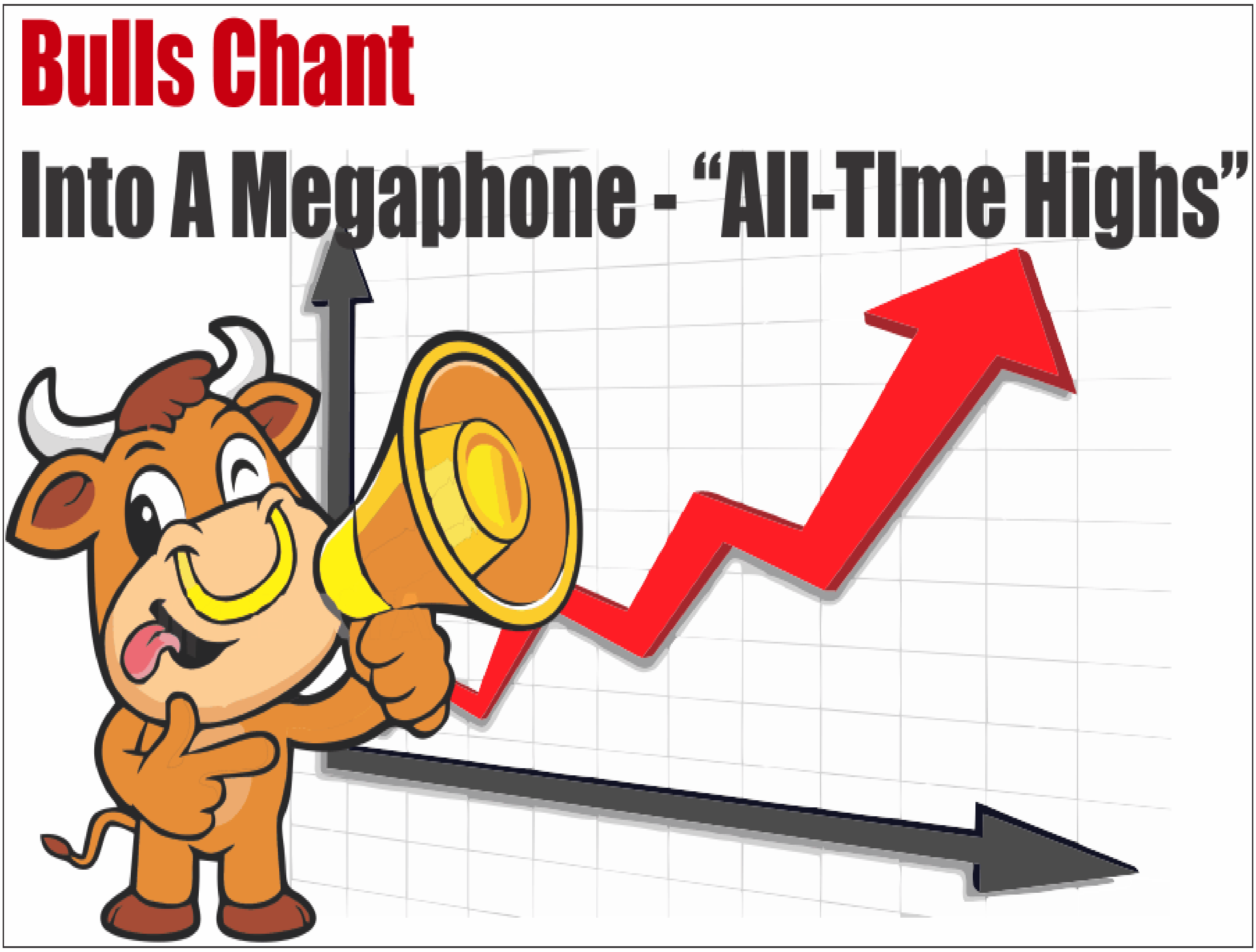

In this issue of, "Bulls Chant Into A Megaphone - 'All-Time Highs:"

- ***Bulls Charge To All-Time Highs***
- ***Exuberance Abounds***
- ***The Megaphone***
- ***Risk/Reward Ranges***
- ***MacroView: Everything The Fed Does Is Deflationary***
- ***Sector & Market Analysis***
- ***401k Plan Manager***

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Catch Up On What You Missed Last Week

#WhatYouMissed On RIA This Week: 08-07-20

Written by Lance Roberts | Aug 7, 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.

>> Read More

Bulls Charge To All-Time Highs

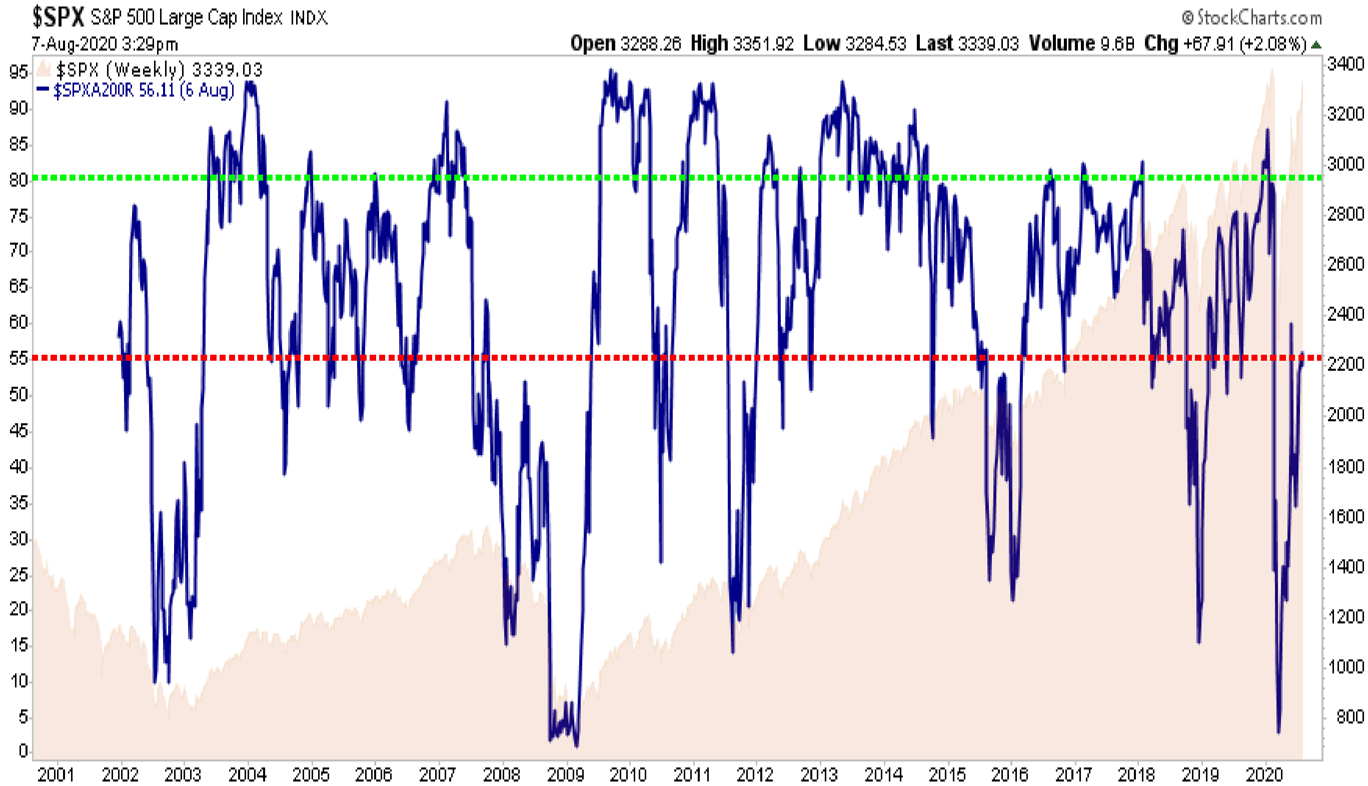
As discussed previously in ***"Insanely Stupid,"*** we noted the market remained confined to its consolidation channel, but the bullish bias was to the upside.

> *"While the market has not been able to push above the recent July highs, support is holding at the rising bullish trend line.* ***With the short-term 'buy signals' back in play, the bias at the moment is to the upside.***
>
> *However, as we have discussed over the last couple of weeks, July held to its historical trends of strength.* ***With a bulk of the S&P 500 earnings season behind us, we suspect the weakening economic data will begin to weigh sentiment on August and September."***

While weaker economic data has not yet dented the *"bullish sentiment"* at this juncture, it doesn't mean it won't. **However, as we have discussed over the last several weeks, a breakout of the consolidation range, which was capped by the June highs, would put all-time highs into focus.**

A Weighted Distortion

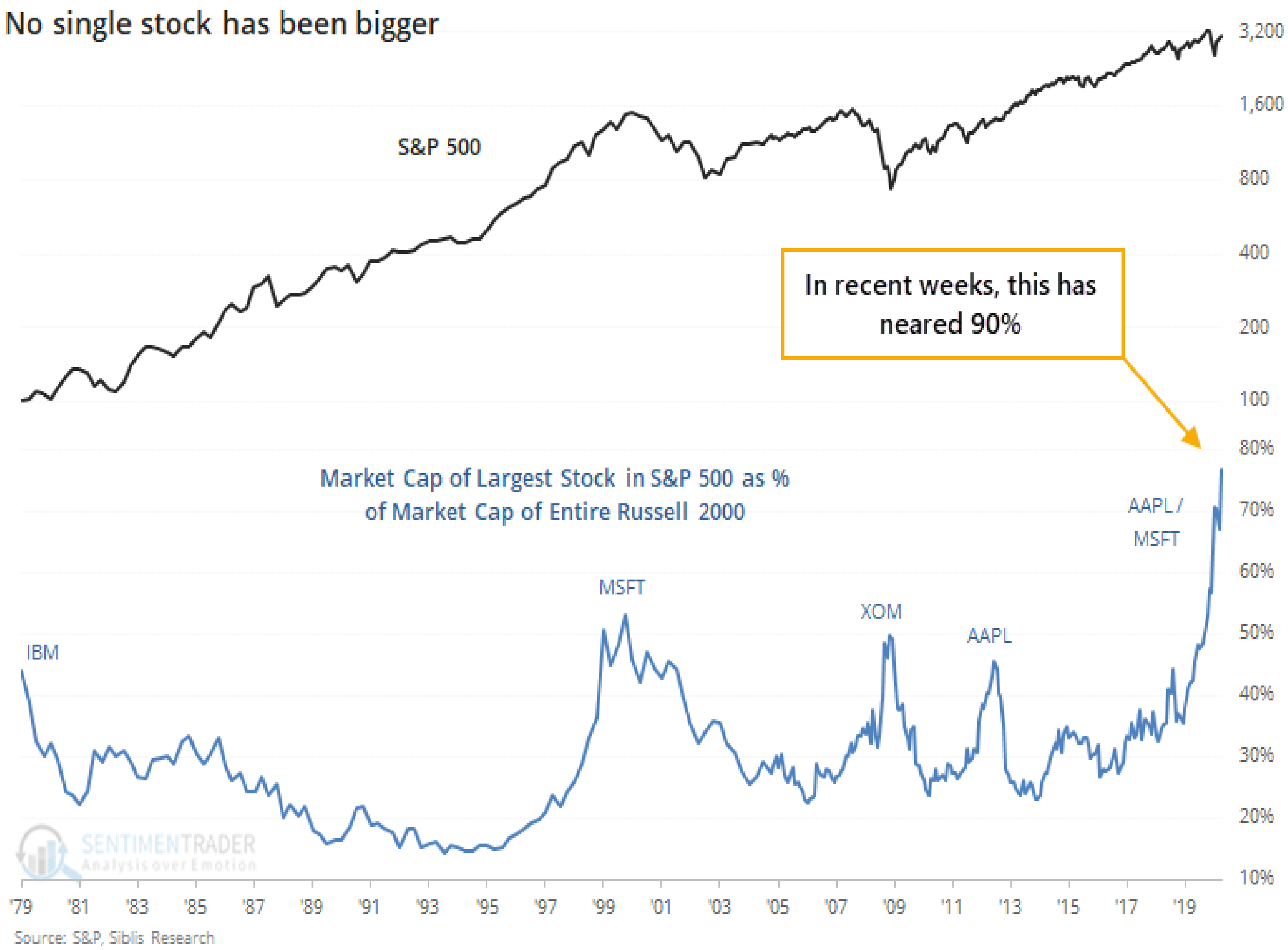
The concern is that what you see with the market, is not necessarily what you get. The chart below shows the number of stocks trading above the 200-dma versus the S&P 500 trading above its 200-dma.



In theory, if the *"market"* is above its 200-dma, then a large number of stocks, usually about 80%, should also be. However, such is not the case, as only 55% currently do so.

The market is currently being driven to new highs by the *"chase"* into the largest mega-capitalization stocks. Sentiment Trader noted this on Friday:

> *"The biggest stock in the U.S. and nearly the world, Apple, keeps powering higher. At the end of June, the value of Apple alone was nearly 80% of the Russell 2000 index's market capitalization. As of today, it's nearly 90%. This is astounding - in the past 40 years, no single stock has come close to dwarfing the value of so many other companies."*

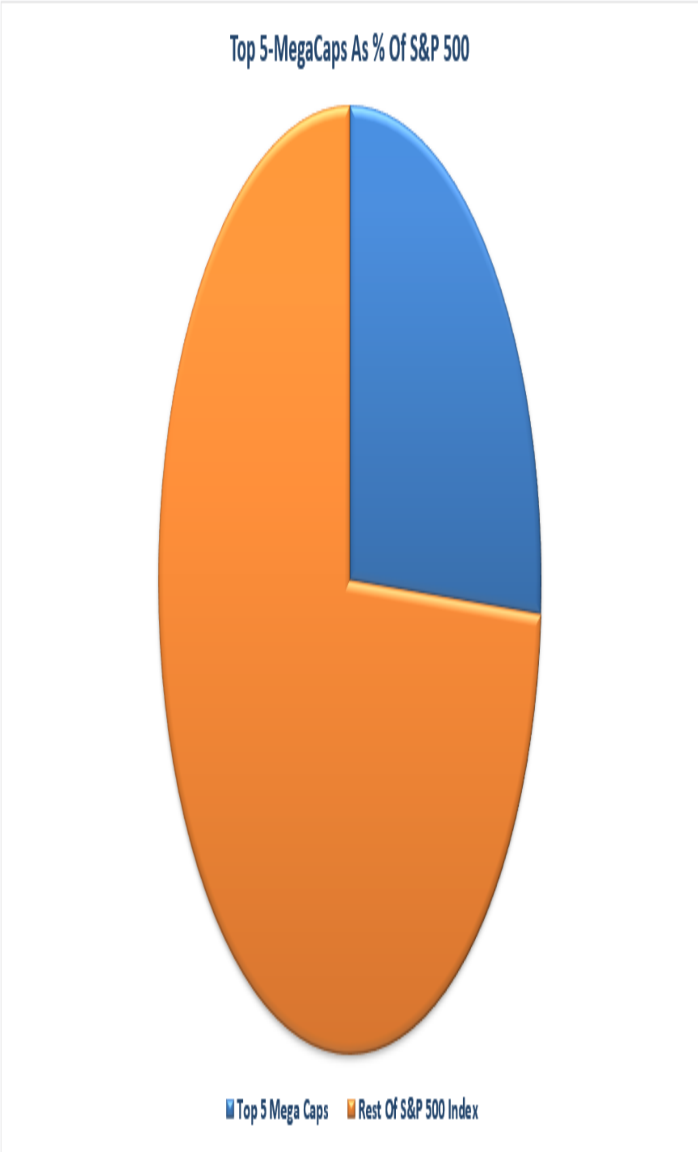


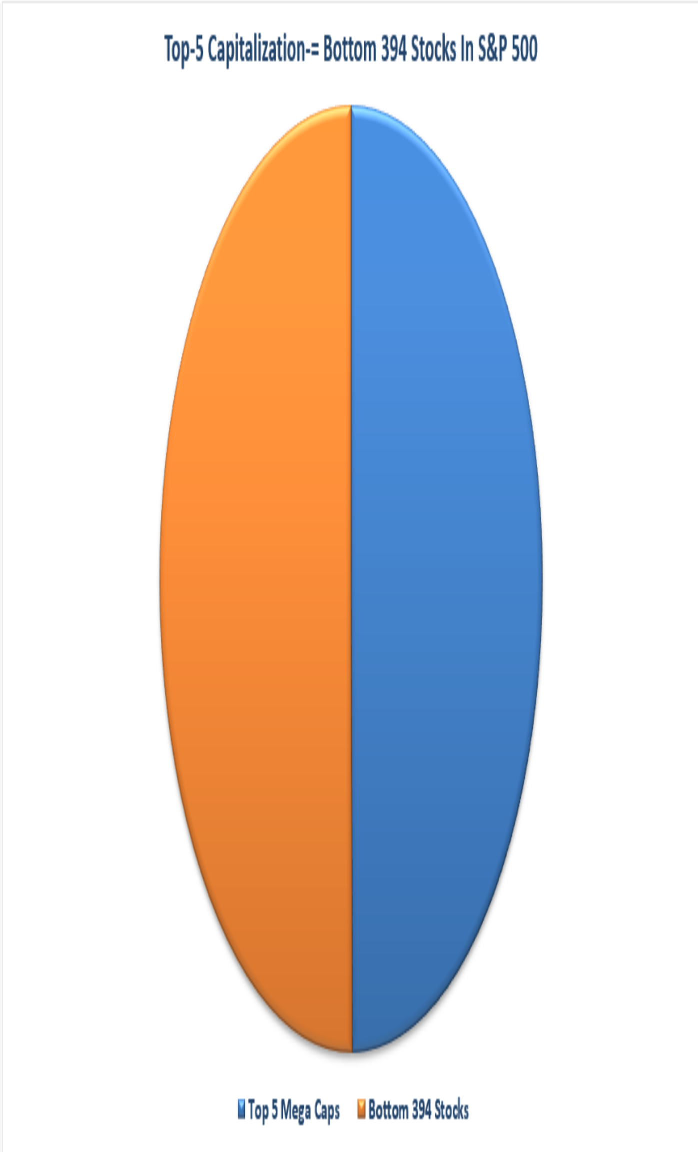
By itself, this data point does not have a lot of historical relevance. However, it does tend to be more of an indication of underlying *"exuberance"* in the market.

The point here, however, is the top-5 stocks are distorting the overall market participation.

Let Me Explain The Math

Currently, the top-5 S&P stocks by market capitalization *(AAPL, AMZN, GOOG, FB, and MSFT)* make up the same amount of the S&P 500 as the bottom 394 stocks. Those same five also comprise 26% of the index alone.





What investors are missing is that the top-5 stocks are distorting the movements in the overall index.

For each $1 put into each of those top-5 stocks, the impact on the index is the same as putting $1 into each of the bottom 394 stocks. Such is clearly not a true representation of either the market or the economy.

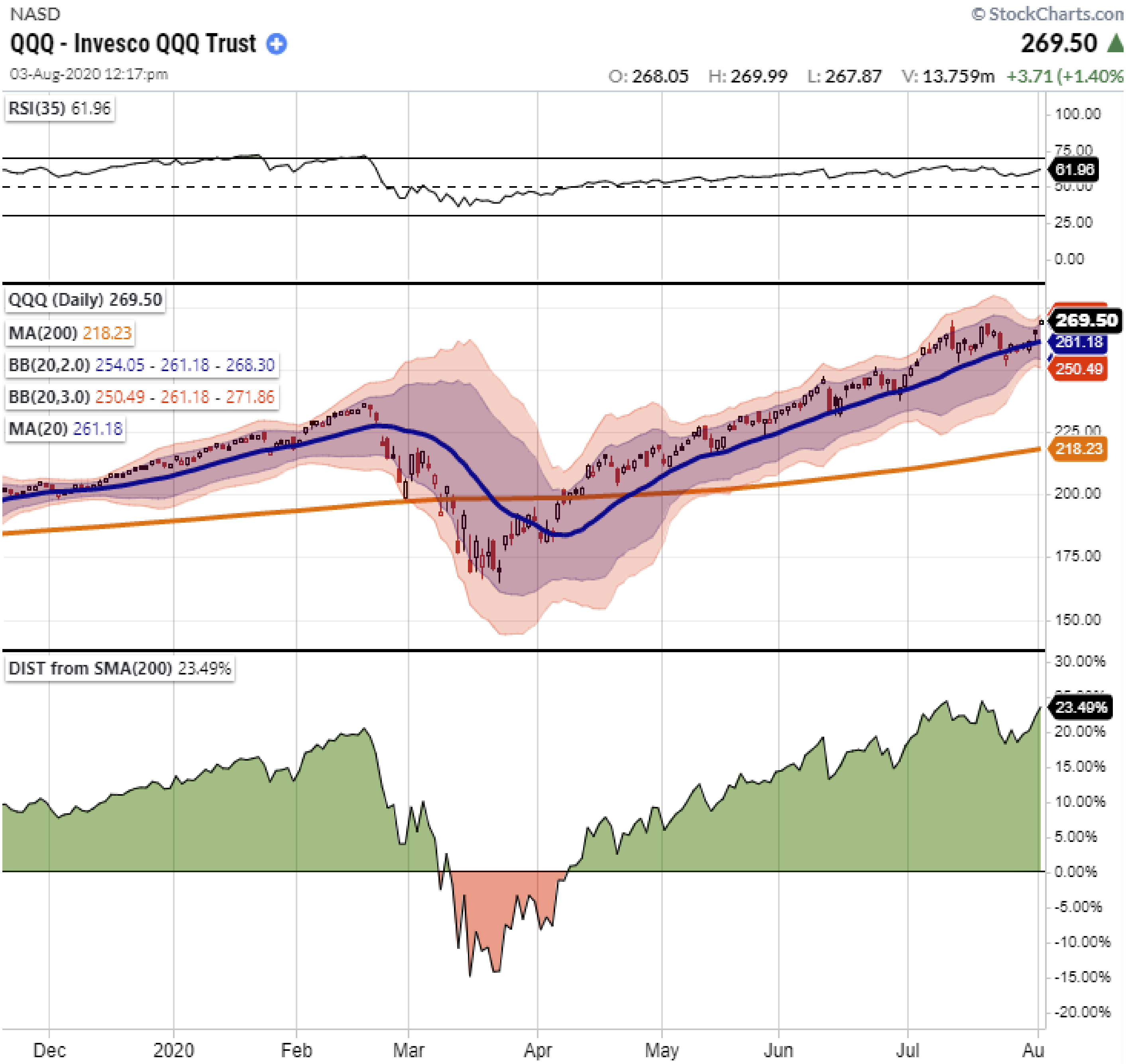
As we have noted recently, if you own anything OTHER than those top-5 stocks, your portfolio is likely underperforming the market this year.

Exuberance Abounds

This past week, we discussed with our ***RIAPro Subscribers (Try Risk-Free for 30-days)*** the dangers of chasing markets, which have deviated extremely from their long-term means. **The risk, of course, is that markets always, without exception, revert to the mean. The only question is the *"timing"* of the event.**

Specifically, we noted the deviation of the Nasdaq from its 200-dma, which remains near a record high.

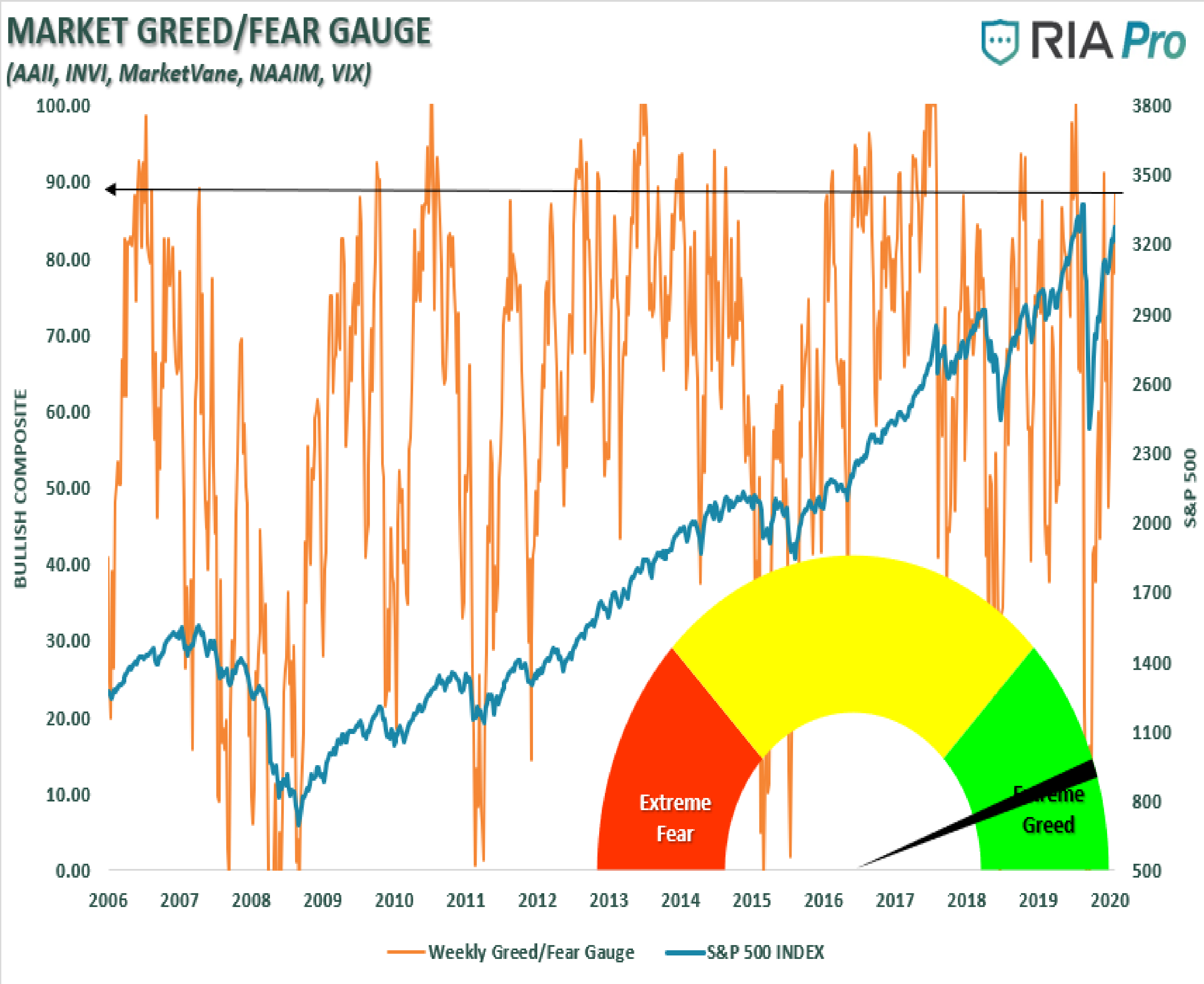
> *"**Moving averages, especially longer-term ones, are like gravity.** The further prices become deviated from long-term averages, the greater the 'gravitational pull' becomes. An 'average' requires prices to trade above and below the ?average? level. The risk of a reversion grows with the size of the deviation.*
>
> ***The Nasdaq currently trades more than 23% above its 200-dma. The last time such a deviation existed was in February of this year.** The Nasdaq also trades 3-standard deviations above the 200-dma, which is another extreme indication.*
>
> *Such does not mean the market is about to crash. However, it does suggest the 'rubber band' is stretched so tightly any minor disappointment could lead to a contraction in prices."*



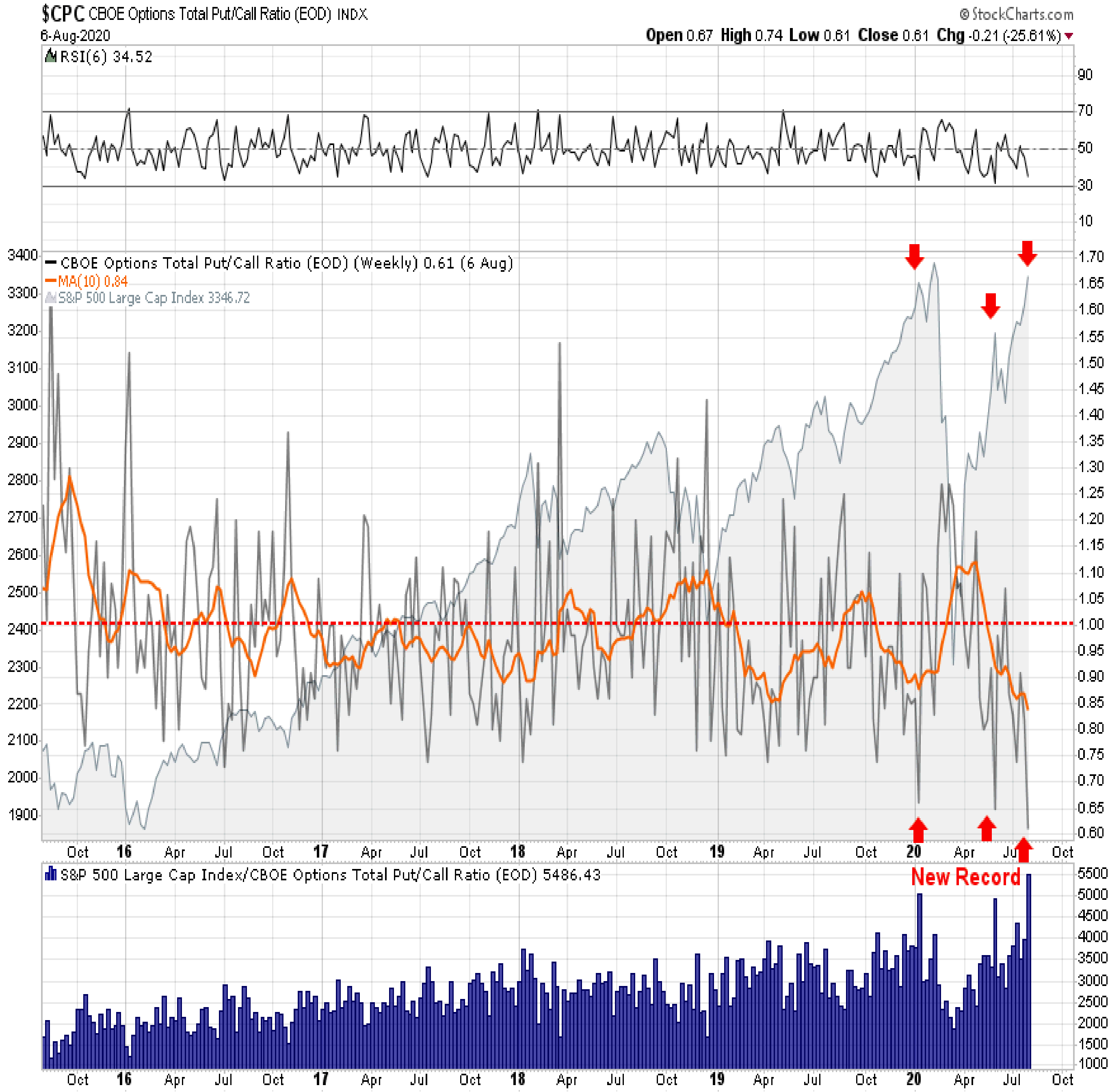
Again, this deviation is driven by the largest cap-weighted names. Still, there are also more extreme signs of speculative appetite currently flowing into the markets.

The Greed Factor

The ***[RIAPro sentiment gauge](#)***, which is based on actual investor positioning, is at more extreme levels.



The put/call ratio is also at a historic low, which suggests that investors have given up hedging risk in portfolios entirely. I have marked the previous points where the put/call ratio was this imbalanced.



Importantly, this is all very *"bullish"* for now.

The point about these indicators, is that in the short-term *(a few days to a few weeks)* it suggests the markets will likely continue to rise. Such is because *"momentum"* is a tough thing to kill.

However, longer-term, they have a long history of suggesting increasing levels of risk, which eventually leads to less pleasant outcomes.

The Megaphone

In the short-term, there seems to be little worry about. I thought this sentiment was summed up best by Jeffrey Marcus, who manages the ***TPA Analystics long-short portfolio for RIAPro:***

https://twitter.com/TpaResearch/status/1291459674240421893?s=20

However, in the longer-term, the bulls may be walking into a trap.

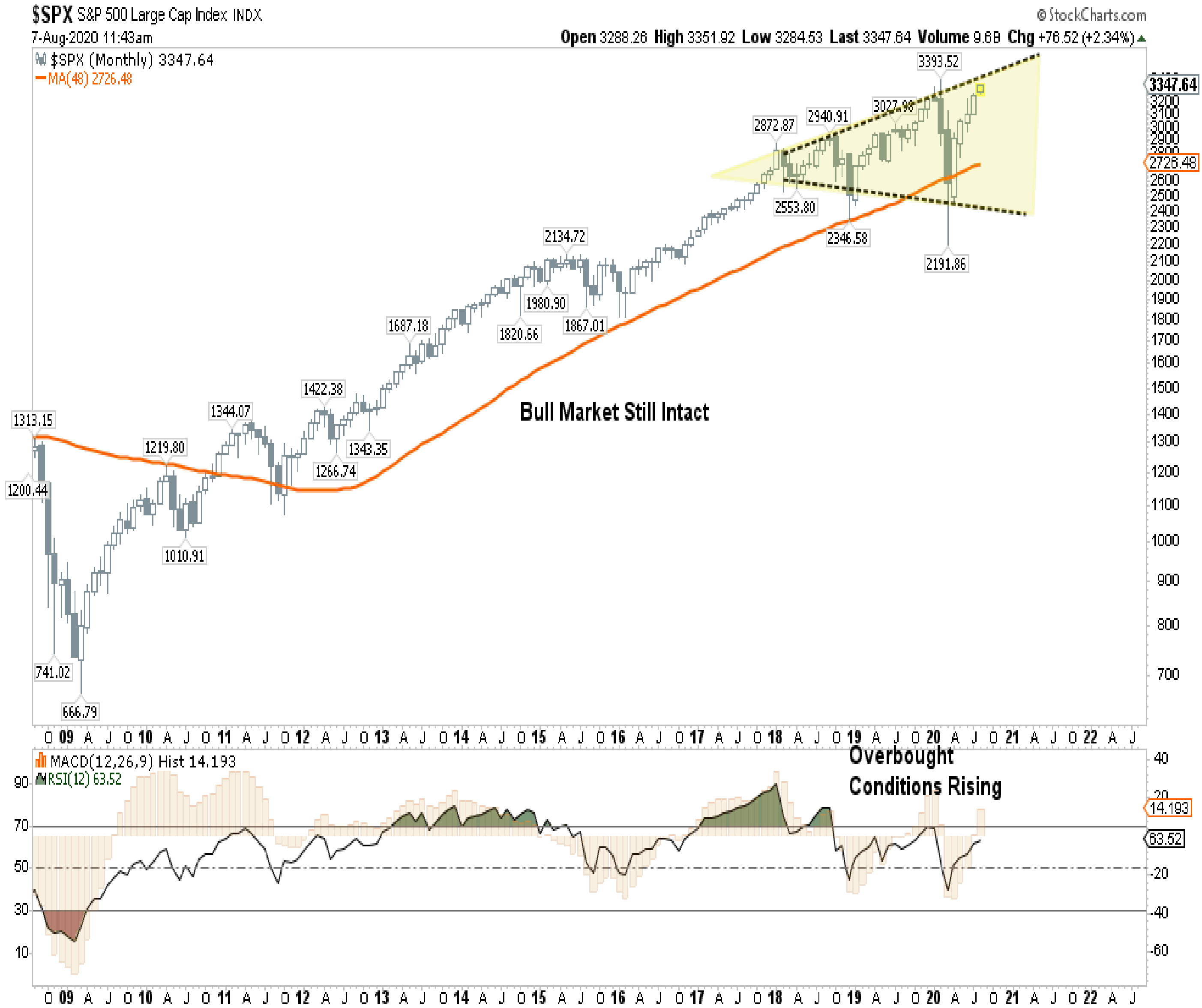
While the bulls are chanting *"all-time highs,"* it falls within the context of an ongoing topping process referred to as a *"megaphone"* pattern. Here is the definition:

> *"A broadening formation is a price chart pattern characterized by increasing price volatility and diagrammed as two diverging trend lines, one rising and one falling.*
>
> *These formations are relatively rare during normal market conditions over the long-term since most markets tend to trend in one direction or another over time. The formations are more common when market participants have begun to process a series of unsettling news topics. Topics such as geopolitical conflict, a change in Fed policy, or a combination of the two, are likely to coincide with such formations.*
>
> *Broadening formations are generally bearish for most long-term investors since they are characterized by rising volatility without a clear move in a single direction."*

It's Just A Chart

This broadening, or megaphone, pattern is seen below on the monthly chart. Importantly, despite the *"correction,"* in March, the *"bull market"* that began in 2009 remains intact as the low monthly close did not break the 4-year moving average.

Furthermore, this is a *"monthly"* chart, so it is very slow to form. As such, it is critical to consider this analysis in context. **The chart does not mean the markets are about to crash, nor is it a useful tool to try and *"time"* the market.**



The market will hit new highs as it reaches the top of the upper trendline, where it will meet more formidable resistance. With the market back to a more extreme overbought condition, the *"low hanging fruit"* has been picked.

Risk/Reward Ranges

Nonetheless, as discussed below, the current levels of *"bullish sentiment"* and *"momentum"* keeps our portfolios allocated toward *"risk."* **However, we are moving closer toward the *"exit,"* so we are not the last one trying to get out of the theater when someone yells *"fire."***

With the markets closing just at all-time highs, we can only guess where the next market peak will be. Therefore, to gauge risk and reward ranges, we have set targets at 3500, 3750, and 4000 or 4.4%, 12.2%, and 19.5%, respectively.

Here are the current risk/reward ranges:

- ***+4.4% to 3500 vs. -4.3% to June high breakout support.***
- ***+4.4% to 3500 vs. -5.7% to the 50-dma.***
- ***+12.2% to 3750 vs. -9.6% to the 200-dma***
- ***+12.2% to 3750 vs. -11.5% to the June consolidation lows.***
- ***+19.5% to 4000 vs. -22.17% to the March closing low. (Not shown)***

Given there is no good measure to justify upside potential from a breakout to new highs, you can personally go through a lot of mental exercises. While there is certainly a potential the market could rally 19.9% to 4000, it is also just as reasonable the market could decline 22.2% test the March closing lows. Completion of the *"megaphone pattern"* discussed above would be a 37.43% decline.

Just in case you think that can't happen, just remember no one was expecting a 35% decline in March either.

As we said last week, *"risk happens fast."*

Portfolio Positioning

Let me restate our position for the last several weeks.

> ***?With our portfolios almost entirely allocated towards equity risk in the short-term, we remain incredibly uncomfortable.?***

Such remains the case this week. While we certainly enjoy the markets lifting our client's portfolio values higher, we are keenly aware of the risk.

As Chuck Prince, CEO of Citigroup, once stated:

> ***"When the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you?ve got to get up and dance. We?re still dancing,?*** - *July 2007*

Note the date.

Just as it was then, stocks kept running well into 2008. But eventually, the music stopped, and poor Chuck was left without a chair.

Given we are now getting more extreme short-term overbought conditions, the risk of a short-term reversion has risen.

As noted last week, we have continued to maintain our equity exposure to the markets. Still , we have continued to *"hedge around the edges,"* by adjusting our bond duration, adding a long-dollar position to hedge our gold exposures, and adding more *"defensive"* names to our equity allocation.

Our job remains the same, protect our client?s capital, reduce risk, and try to come out on the other side in one piece.

While we are certainly more bullish on markets currently, as momentum is still in play, it doesn?t mean we aren?t keenly aware of the risk.

Pay attention to what you own, and how much risk you are taking to generate returns. Going forward, this market will likely have a nasty habit of biting you when you least expect it.

The MacroView

[#MacroView: Fed Wants Inflation But Their Actions Are Deflationary]

Written by Lance Roberts | Aug 7, 2020

A CNBC article states the Fed is expected to make a major commitment to ramping up inflation. While the Fed may want inflation, their very actions continue to be deflationary.

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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	17.15%	16.18%	3.95%	(75.60%)
Max Drawdown	-35.63%	-35.63%	-35.63%	0.00%
Sharpe	0.49	0.74	0.19	(0.74)
Sortino	0.53	0.78	0.22	(0.72)
Volatility	25.55	32.54	40.89	0.26
Daily VaR-5%	(28.04)	(28.67)	(58.68)	1.05
Mnthly VaR-5%	(21.22)	(22.37)	(40.58)	0.81

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.78%	1.82%	1.61%	(13.09%)	2.20%	1.67%	(26.78%)	(3.89%)
P/E Ratio	20.06	17.99	23.73	24.21%	2367%	1598%	0.2%	48.54%
P/S Ratio	3.38	3.26	4.16	21.66%	4.07	2.61	2.41%	59.67%
P/B Ratio	4.00	4.05	4.58	11.52%	4.34	2.99	5.43%	53.16%
ROE	17.29%	18.70%	16.91%	(10.61%)	18.82%	15.05%	(10.19%)	12.33%
ROA	3.25%	3.53%	3.16%	(11.41%)	3.53%	2.81%	(10.34%)	12.59%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	2,340.2	2,590.4	10.69%
Sales	64,544	63,112	(2.22%)
SPS	27.6	24.4	(11.66%)
Earnings	9,515	8,548	(10.17%)
EPS TTM	4.8	4.3	(11.39%)
Dividend	1.6	1.7	1.98%

S&P 500 Asset Allocation

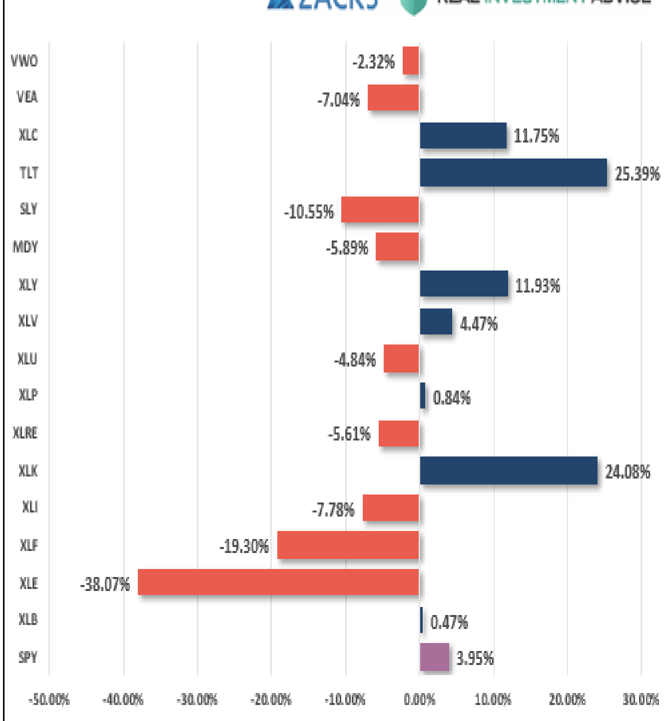
Sector	1 Year Price Return	Weight	Beta	P/E	P/E High-5yr (Mo.)	P/E Low - 5Yr (Mo.)	P/E % From Peak	ROE	DIV. YIELD	TTM Earnings Yield	Current Forward Earnings	Forward PE
Energy	(34.52%)	2.59%	1.75	29.87	124.10	11.36	(75.9%)	6.1%	5.7%	7.08%	0.60	54.12
Materials	7.97%	2.57%	1.30	22.82	22.97	13.86	(0.7%)	8.4%	2.1%	4.92%	3.09	21.40
Industrials	(3.55%)	7.97%	1.07	23.96	23.30	14.66	2.8%	12.3%	1.7%	4.17%	3.01	24.34
Discretionary	29.42%	11.18%	1.27	44.71	42.59	20.48	5.0%	14.9%	0.8%	2.30%	3.31	40.99
Staples	8.30%	6.95%	0.58	21.50	22.83	17.62	(5.8%)	28.5%	2.6%	4.67%	3.89	20.94
Health Care	18.48%	14.49%	0.80	17.99	19.46	15.06	(7.6%)	30.7%	1.7%	5.55%	6.80	16.93
Financials	(6.01%)	9.83%	1.30	14.69	18.50	10.53	(20.6%)	8.2%	2.2%	6.91%	4.37	14.18
Technology	47.41%	27.83%	1.07	30.10	29.11	14.49	3.4%	42.1%	1.1%	3.30%	5.62	26.81
Telecom	21.35%	10.77%	0.92	25.32	27.01	17.61	(6.2%)	16.5%	0.8%	4.13%	5.83	23.29
Utilities	2.38%	3.04%	0.48	19.14	22.10	15.58	(13.4%)	10.7%	3.4%	5.26%	3.73	18.56
Real Estate	(3.26%)	2.73%	0.92	20.63	21.41	16.91	(3.6%)	9.2%	3.1%	5.14%	4.04	20.64

Momentum Analysis

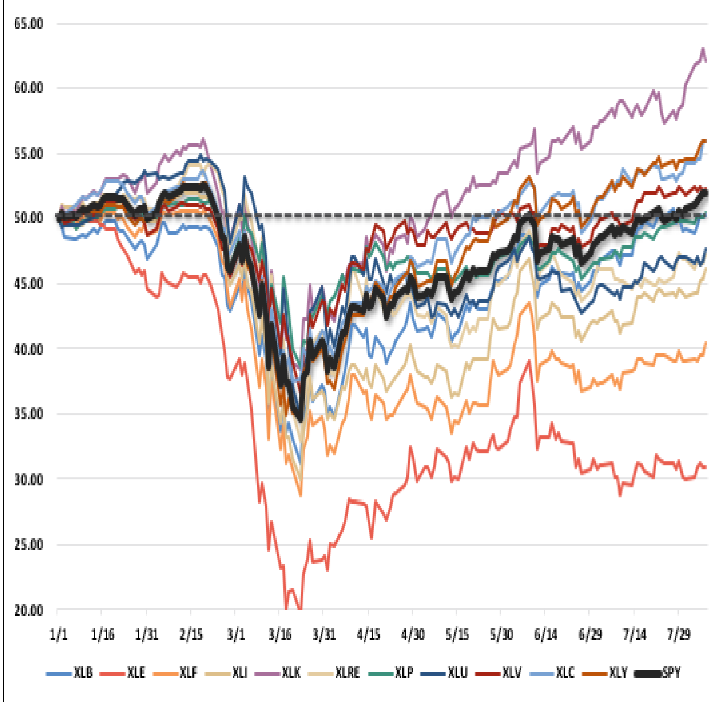
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	334.57	9.94%	316.71	50	5.64%	305.66	30	9.46%	3.61%	(1.33%)	53.29%	Buy
Mid Cap	353.27	9.87%	332.02	50	6.40%	333.42	14	5.95%	(0.42%)	(8.12%)	64.91%	Sell
Small Cap	64.81	13.50%	59.98	21	8.06%	62.13	4	4.32%	(3.46%)	(12.69%)	58.92%	Sell

Performance Analysis

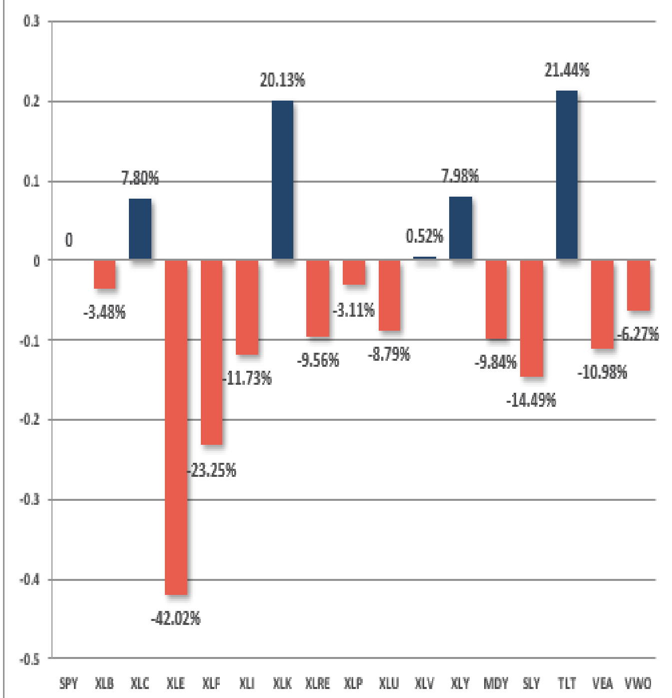
Year To Date Performance



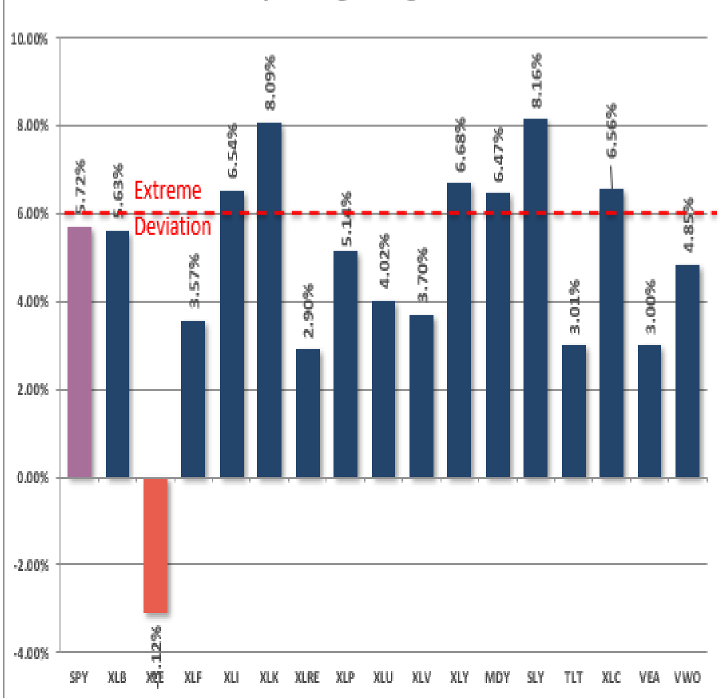
YTD Price - S&P Sectors Recalibrated To $50/share



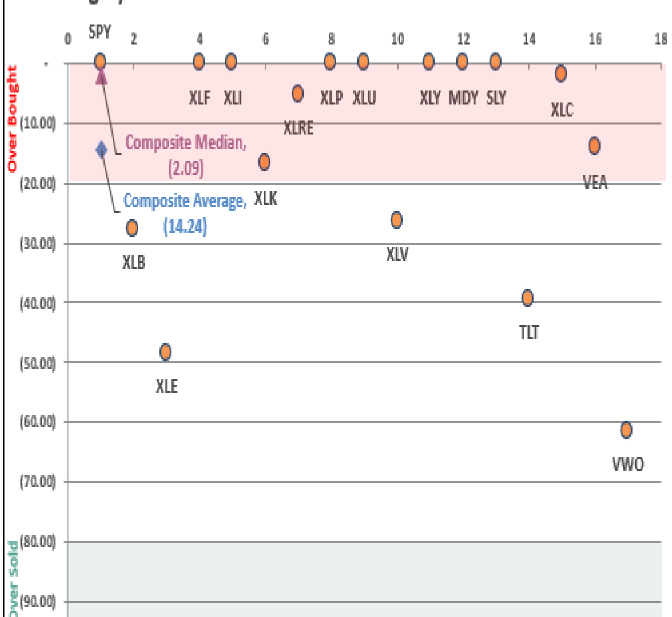
Year To Date Performance Relative To S&P 500

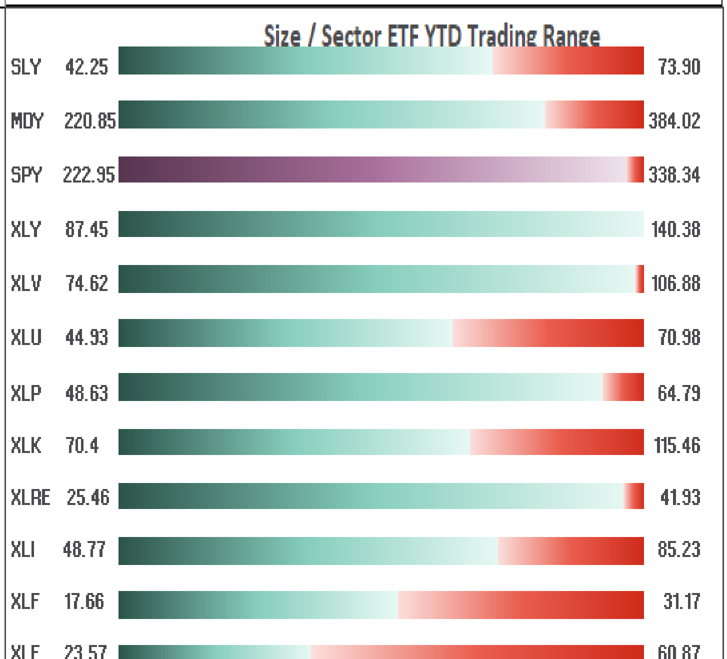


Price Deviation From 50-Day Moving Average

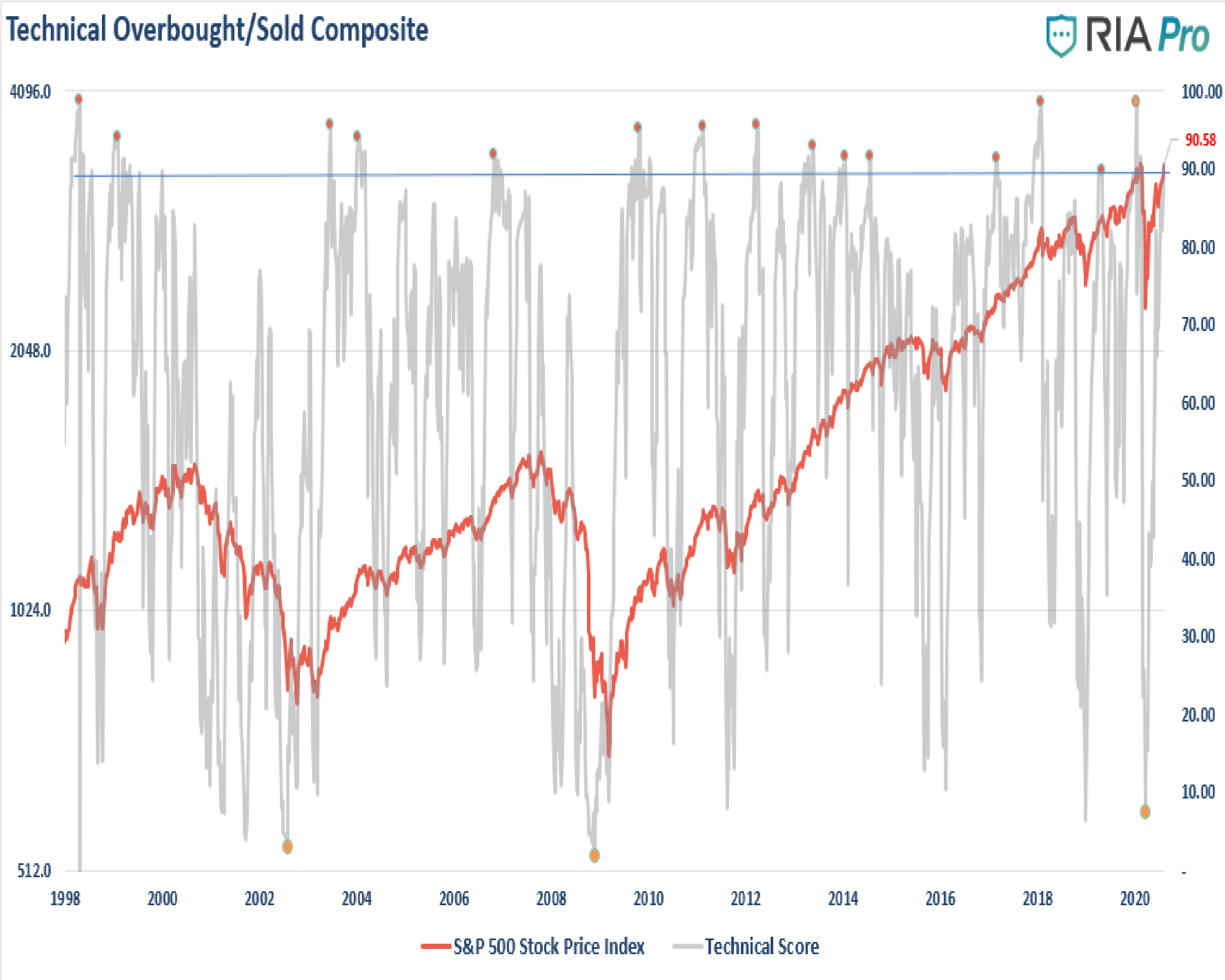


Overbought/Oversold 14-Periods





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.*

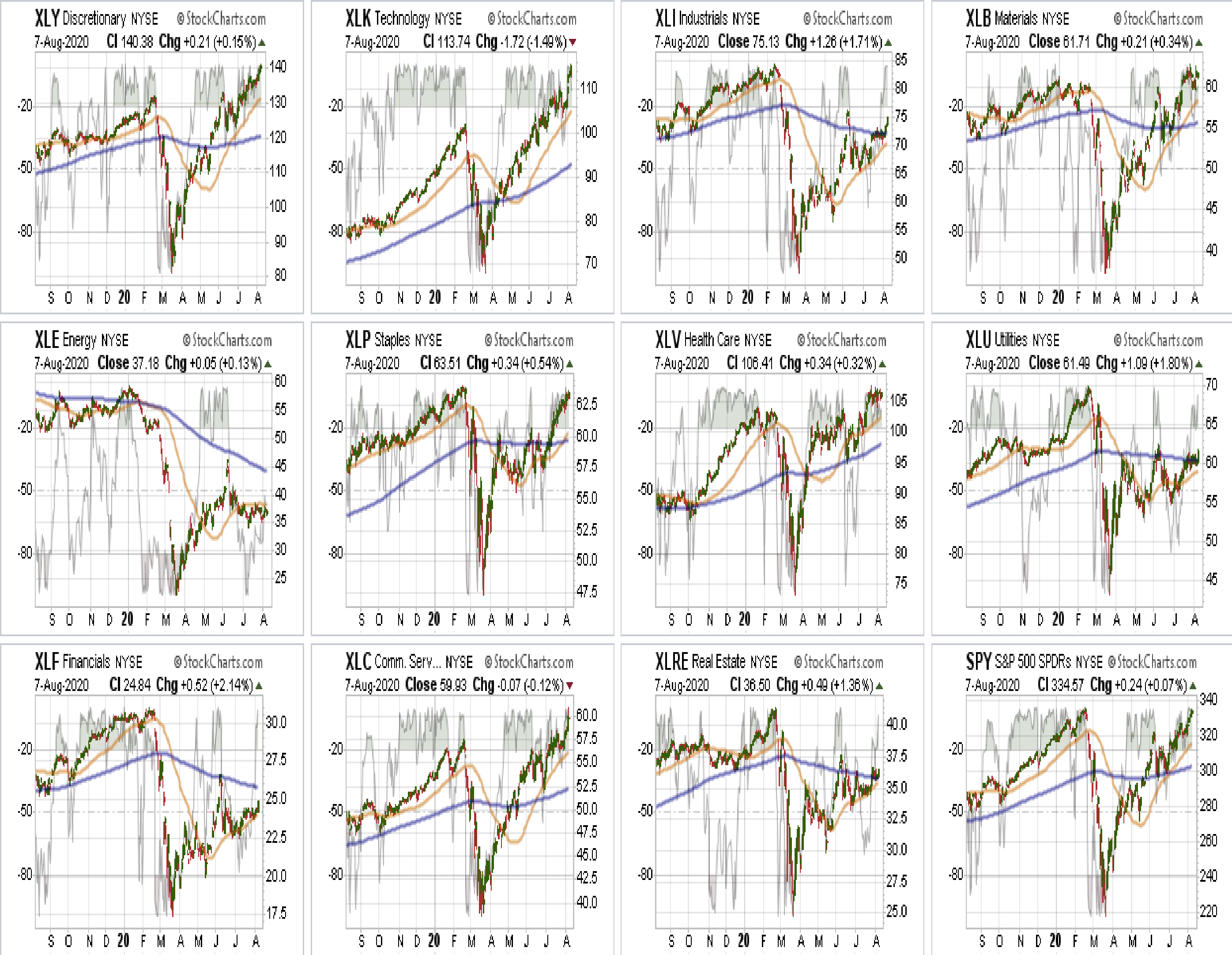
RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT	LONG	MONTH	REL S&P	RISK RANGE		% DEV -	% DEV -	M/A XVER
Ticker	ETF NAME	Price	1 Week	4 Week	12 Weeks	24 Weeks	52 Weeks	WMA	WMA	END PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	335.95	2.48	5.35	16.99	0.28	14.52	312.57	305.76	327.82	1.00	336.02	319.62	7%	10%	BULLISH
XLB	SPDR-MATLS SELS	61.71	(0.24)	1.07	4.32	1.99	(7.62)	57.17	55.40	60.36	1.16	62.57	58.15	8%	11%	BULLISH
XLC	SPDR-COMM SV SS	59.93	0.62	(1.48)	(0.05)	6.51	6.26	55.45	52.69	58.13	0.97	60.15	56.11	8%	14%	BULLISH
XLE	SPDR-EGY SELS	37.18	0.71	(0.73)	(13.68)	(31.61)	(51.61)	38.32	42.92	36.03	1.62	37.52	34.54	-3%	-13%	BEARISH
XLF	SPDR-FINL SELS	24.84	0.89	0.54	1.01	(19.55)	(23.09)	23.56	25.37	24.03	1.16	24.91	23.15	5%	-2%	BEARISH
XLK	SPDR-TECH SELS	113.74	0.52	(0.11)	4.70	14.10	30.39	103.10	95.19	110.43	1.03	114.33	106.53	10%	19%	BULLISH
XLI	SPDR-INDU SELS	75.13	2.26	5.12	9.36	(10.40)	(14.90)	68.96	71.20	71.73	1.14	74.34	69.12	9%	6%	BEARISH
XLP	SPDR-CONS STPL	63.51	(1.19)	(0.01)	(6.33)	(2.04)	(7.45)	59.83	60.12	62.70	0.58	64.63	60.77	6%	6%	BEARISH
XLRE	SPDR-RE SELS	36.50	(1.82)	(1.06)	0.83	(13.23)	(19.64)	34.82	35.78	36.26	0.73	37.43	35.09	5%	2%	BEARISH
XLU	SPDR-UTIL SELS	61.49	(1.39)	1.09	(4.80)	(12.85)	(13.50)	58.52	60.87	60.83	0.39	62.59	59.07	5%	1%	BEARISH
XLV	SPDR-HLTH CR	106.41	(1.65)	0.31	(11.03)	2.60	1.90	102.07	99.40	105.53	0.84	109.05	102.01	4%	7%	BULLISH
XLY	SPDR-CONS DISCR	140.38	(0.01)	(0.04)	4.57	7.46	4.16	128.93	121.37	137.00	1.16	142.01	131.99	9%	16%	BULLISH
XTN	SPDR-SP TRANSPT	57.40	2.84	1.42	11.11	(13.97)	(18.88)	52.97	54.50	54.50	1.34	56.59	52.41	8%	5%	BEARISH
SDY	SPDR-SP DIV ETF	96.54	0.71	1.75	0.04	(10.87)	(17.49)	91.48	94.36	93.56	0.89	96.74	90.38	6%	2%	BEARISH
RSP	INVS-SP5 EQ ETF	109.52	0.03	1.95	3.02	(7.13)	(10.85)	102.63	103.15	106.84	1.11	110.70	102.98	7%	6%	BEARISH
																BEARISH
SLY	SPDR-SP6 SC	64.81	2.90	6.28	11.02	(9.92)	(16.54)	58.68	60.69	61.50	1.24	63.80	59.20	10%	7%	BEARISH
MDY	SPDR-SP MC 400	353.27	1.54	4.02	5.66	(7.30)	(12.54)	325.97	327.78	339.62	1.19	352.15	327.09	8%	8%	BEARISH
EEM	ISHARS-EMG MKT	43.87	(1.14)	(3.89)	4.77	1.06	(4.49)	40.70	40.32	43.29	0.93	44.78	41.80	8%	9%	BULLISH
EFA	ISHARS-EAFE	63.63	0.07	(3.26)	(1.64)	(7.06)	(13.42)	61.29	61.74	62.05	0.83	64.12	59.98	4%	3%	BEARISH
IAU	ISHARS-GOLD TR	19.37	0.22	7.40	(0.79)	23.02	20.65	17.15	16.00	18.86	0.06	19.34	18.38	13%	21%	BULLISH
GDX	VANECK-GOLD MNR	42.74	(2.95)	5.96	(0.12)	39.16	31.05	36.97	31.69	42.94	0.72	44.32	41.56	16%	35%	BULLISH
UUP	INVS-DB US$ BU	25.23	(2.68)	(8.72)	(24.16)	(6.24)	(19.17)	26.18	26.49	25.28	(0.08)	25.89	24.67	-4%	-5%	BEARISH
IXUS	ISHARS-CR INT S	58.13	(0.17)	(2.63)	0.87	(4.66)	(10.84)	55.07	55.12	56.82	0.88	58.74	54.90	6%	5%	BEARISH
TLT	ISHARS-20+YTB	169.88	(3.13)	(3.21)	(15.09)	14.47	6.78	164.81	157.06	171.00	(0.27)	174.81	167.19	3%	8%	BULLISH
BNDX	VANGD-TTL INT B	58.15	(2.62)	(4.74)	(15.24)	0.23	(15.05)	57.63	57.27	58.23	0.04	59.71	56.75	1%	2%	BULLISH
HYG	ISHARS-IBX HYCB	85.17	(2.74)	(2.10)	(8.78)	(3.86)	(15.77)	82.74	83.20	85.39	0.41	87.87	82.91	3%	2%	BEARISH

RIA Pro REAL INVESTMENT ADVICE

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)

While Financials remain the improving quadrant, they are still vastly underperforming the market. Conversely, Industrials have broken above their 200-dma and are performing better. The sector is very overbought short-term, so a pullback to the 200-dma that holds will allow us to add more to our exposure. Energy continues to underperform the market vastly. While there is value in the sector, there is no reason for overweight holdings currently.

Current Positions: XLI

Outperforming ? Materials (XLB), and Discretionary (XLY)

Discretionary stocks have broken out to new highs and continue to perform well due primarily to AMZN. However, the sector is extremely overbought, and a correction is likely. Take profits and rebalance risk accordingly. Materials are also struggling at all-time highs and are also extremely extended.

Current Positions: *None*

Weakening ? Technology (XLK), and Communications (XLC)

After adding more exposure to our Technology holdings, the sectors have gone vertical with the rush to chase the 5-mega cap names. Once again, we need to take profits due to the extreme extension potentially. A correction is likely. The same goes for the Communications sector as well.

Current Position: XLK, XLC

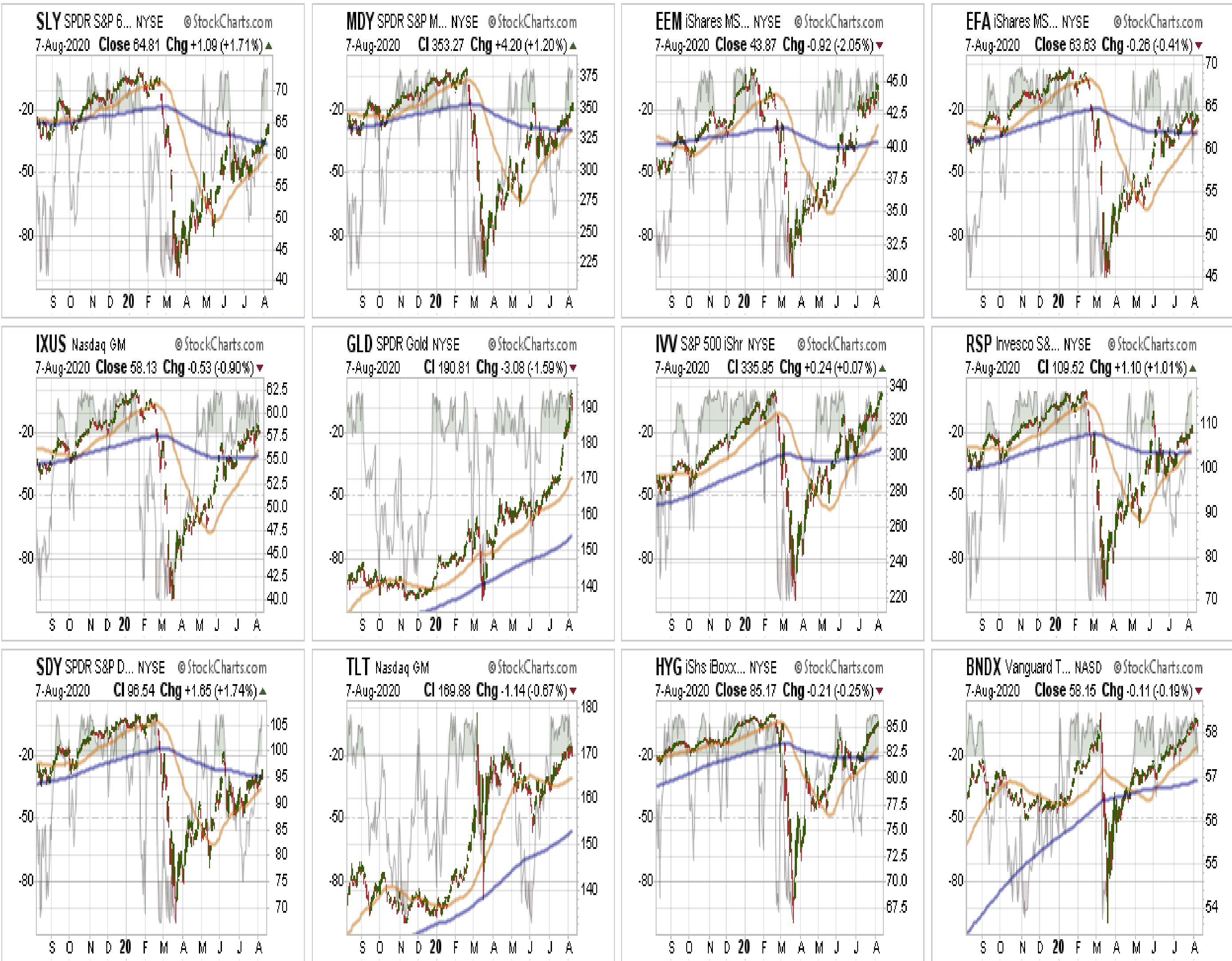
Lagging ? Healthcare (XLV), Utilities (XLU), Real Estate (XLRE), and Staples (XLP)

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 overbought after the expected rally, Look for a correction back to support at the 200-dma.

Our defensive positioning in Staples has finally played catchup to the rest of the market. Staples are very overbought, so rebalance risk accordingly. Utilities continue to lag, but performance is improving.

Current Position: XLU, XLV, XLP

Market By Market



Small-Cap (SLY) and Mid Cap (MDY) ? Both of these markets continue to underperform, but did perk up this past week. We suspect this will be a temporary rotation, so take profits and rebalance longs if you have them.

Current Position: None

Emerging, International (EEM) & Total International Markets (EFA)

Emerging and International Markets have performed better recently. We added a long-dollar hedge to our portfolios, which will weigh on international exposure. However, we will look to add international back to portfolios once the dollar reversal occurs.

Current Position: None

S&P 500 Index (Exposure/Trading Rentals) ? We currently have no "core" holdings.

Current Position: *None*

Gold (GLD) ? Previously, we trimmed our exposure to IAU. Gold is a bit overbought short-term, so we are looking for a pullback to rebuild exposures. The Dollar is extremely oversold; we have added a small UUP position to hedge downside risk in Gold.

Current Position: *IAU, UUP*

Bonds (TLT) ?

We continue to hold our bond holdings as a hedge against market risk. However, those positions are starting to get very extended, so we will likely rebalance soon. No change this week.

Current Positions: *TLT, MBB, & AGG*

Portfolio / Client Update

As noted last week, we are heading into two of the seasonally weak months of the year. Over the last couple of weeks, we made changes to portfolios to rebalance risk, add a hedge, and shift exposures into protected areas against risk.

I was having a discussion with a client last week about *"relative performance"* in portfolios. Here are the important points of that discussion.

1. *We run an "equally" weighted portfolio versus a "market cap" weighted portfolio. The chart of an equal-weight and market-cap weight S&P is below for clarity.*
2. *We also run a stock/bond allocation model versus an all-equity benchmark.*
3. *Given roughly 80% of the returns have come from about 10-stocks in total, ANY portfolio allocation containing more than those "mega-cap" stocks has underperformed this year.*

Here is the point.

If you are looking at the S&P 500 index and wondering *"how you can get some of that,"* I can certainly do that for you. We need to put everything you own into FB, AAPL, MSFT, NFLX, GOOG, and AMZN.

I highly suspect you understand the absurdity of making such a move with your retirement money.

Unfortunately, this is the absurdity of the market we currently live with.

As John Maynard Keynes once quipped:

> *"The markets can remain irrational longer than you can remain solvent."*

Solvency is what we are focused on with YOUR money.

Portfolio Changes

In both models, we added a value position in AT&T.

For the full reasoning behind this trade, please read our report from our analyst Nick Lane:

https://realinvestmentadvice.com/nick-lane-the-value-seeker-report-att-t/

We continue to look for opportunities to abate risk, add return either in appreciation or income, and protect capital.

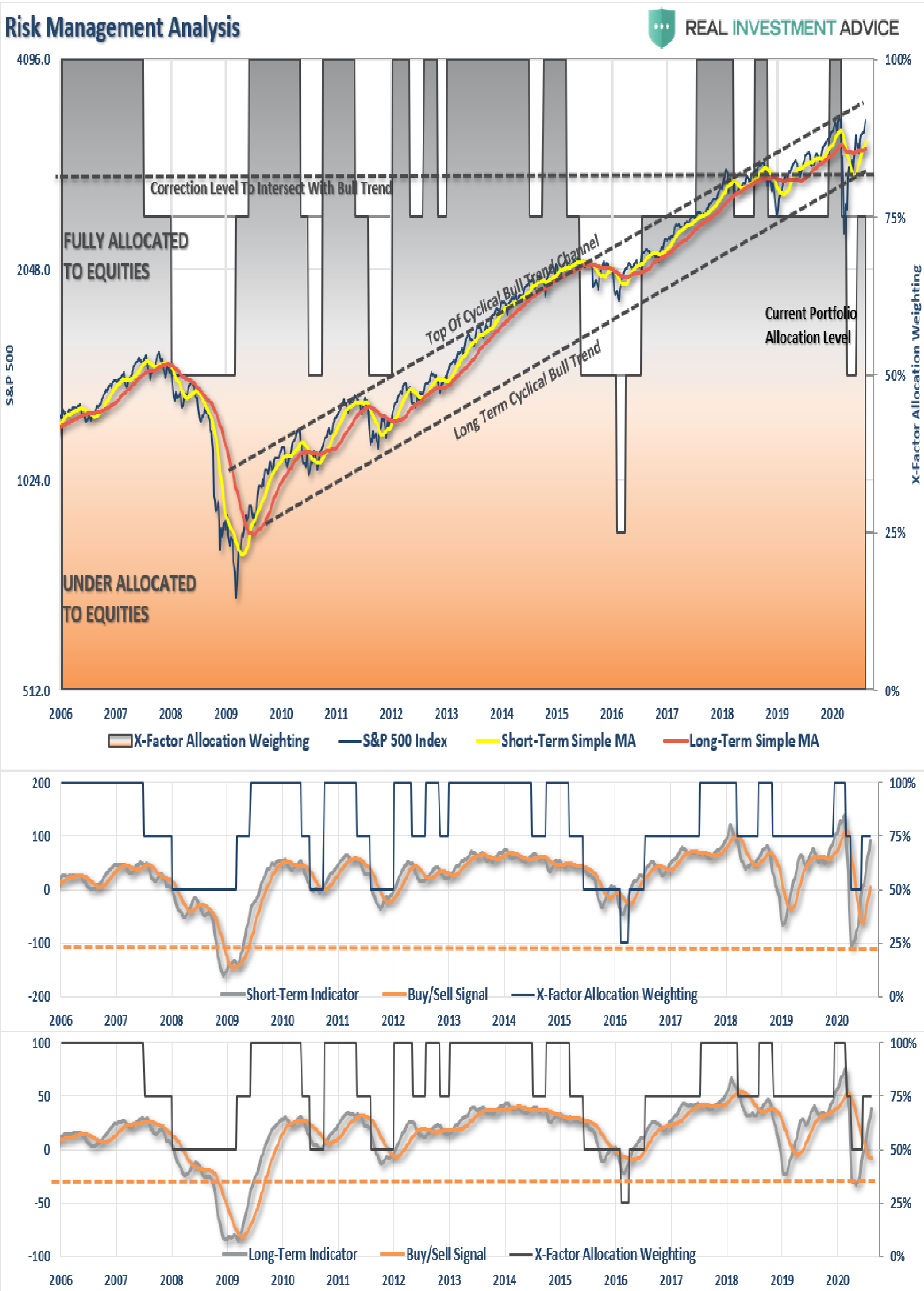
Please don't hesitate to contact us if you have any questions or concerns.

Lance Roberts

CIO

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors



Current Portfolio Weighting

Current 401k Allocation Model

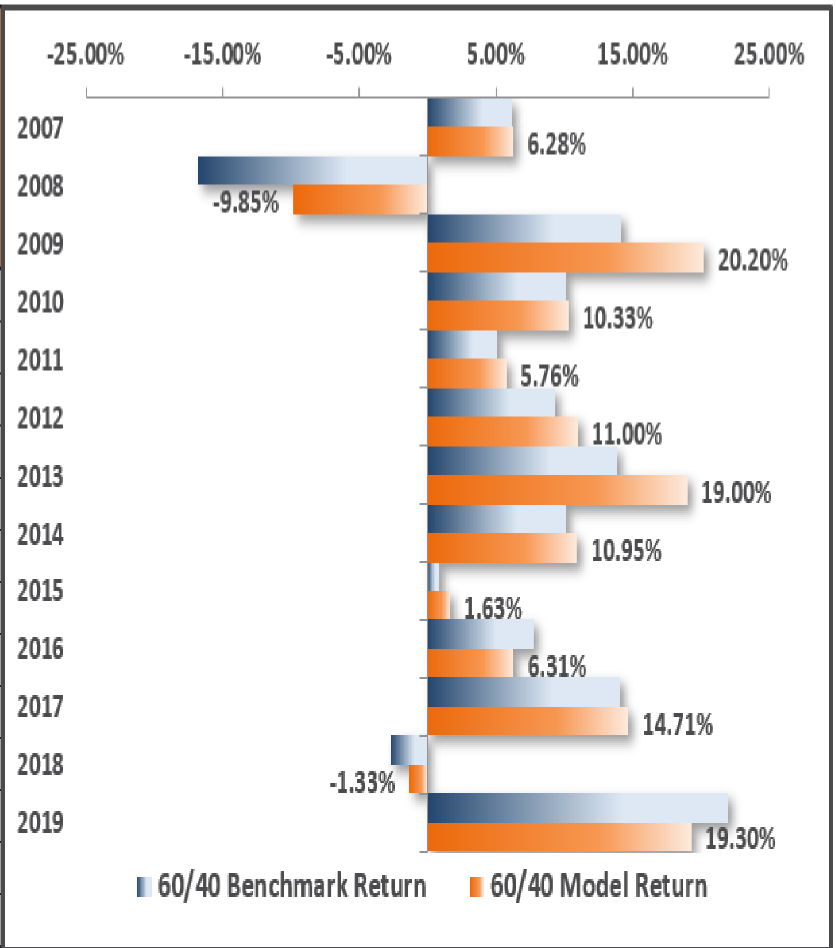
20.00% Cash + All Future Contributions

Primary concern is the protection of investment capital

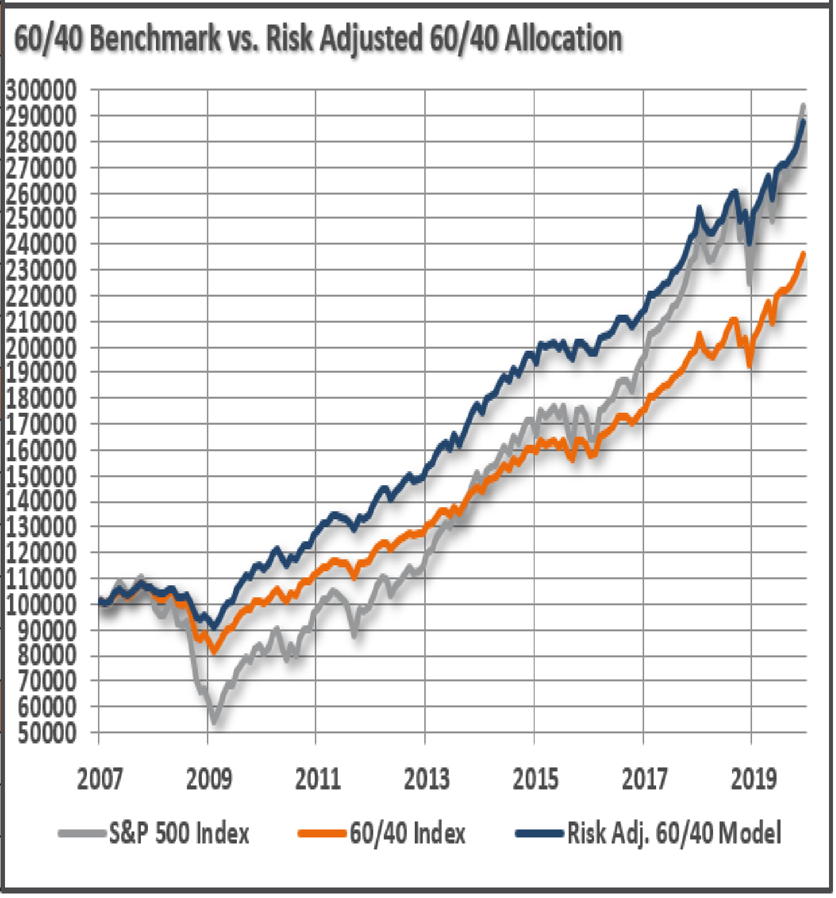
If you need help after reading the alert; do not hesitate to **contact me**

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.

RIAPro

Investment Analysis, Research & Data
From The RIA Investment Team

Dashboard | Macro ▼ | Ideas ▼ | Research ▼ | Portfolio ▼ | 401K - Beta | Symbol | Help ∨

This is the Beta version of 401K. Some Errors are expected ! Click Here to report Issues

My Portfolios: CVS Health ▼ | Enter Portfolio Name | ✓ Add Portfolio | ✓ Delete Portfolio | ✓ Rename Portfolio

My Info | Fund Selection | Comparison | Summary | Commentary

My Portfolio

RIAPro Portfolio

RIA PRO MODEL PL ▼

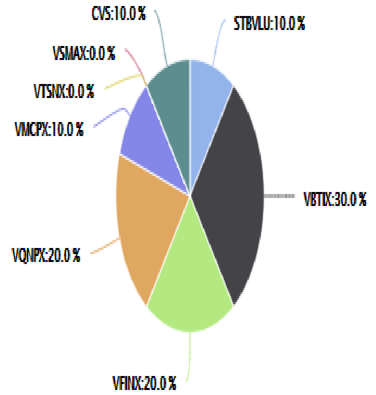
Retirement Income (My Portfolio Annual ROR 9.44 %)

Current account balance	10,000
Estimated Retirement Balance	632,861
Estimated Retirement Balance (Inflation Adj)	620,204
Monthly Income	2,768
Monthly Income (Inflation Adj)	2,713
My Cumulative Contribution	172,934
Employer Cumulative Contribution	103,760

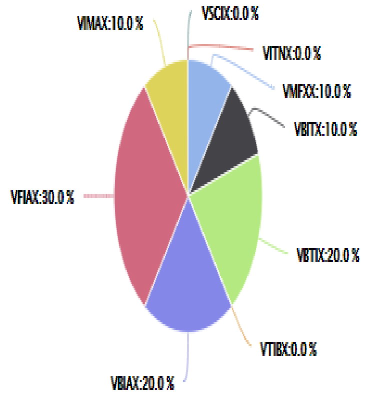
Retirement Income (RiaPro Annual ROR 9.02 %)

Current account balance	10,000
Estimated Retirement Balance	609,786
Estimated Retirement Balance (Inflation Adj)	597,590
Monthly Income	2,667
Monthly Income (Inflation Adj)	2,614
My Cumulative Contribution	172,934
Employer Cumulative Contribution	103,760

My Fund Composition



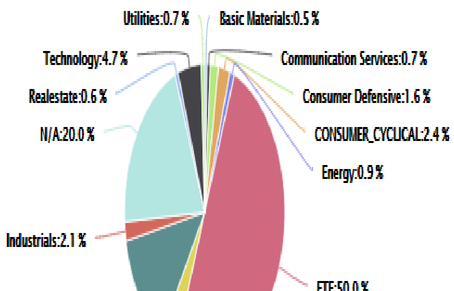
RIAPro Fund Composition



My Asset Composition

RIAPro Asset Composition

My Sector Composition



RIAPro Sector Composition