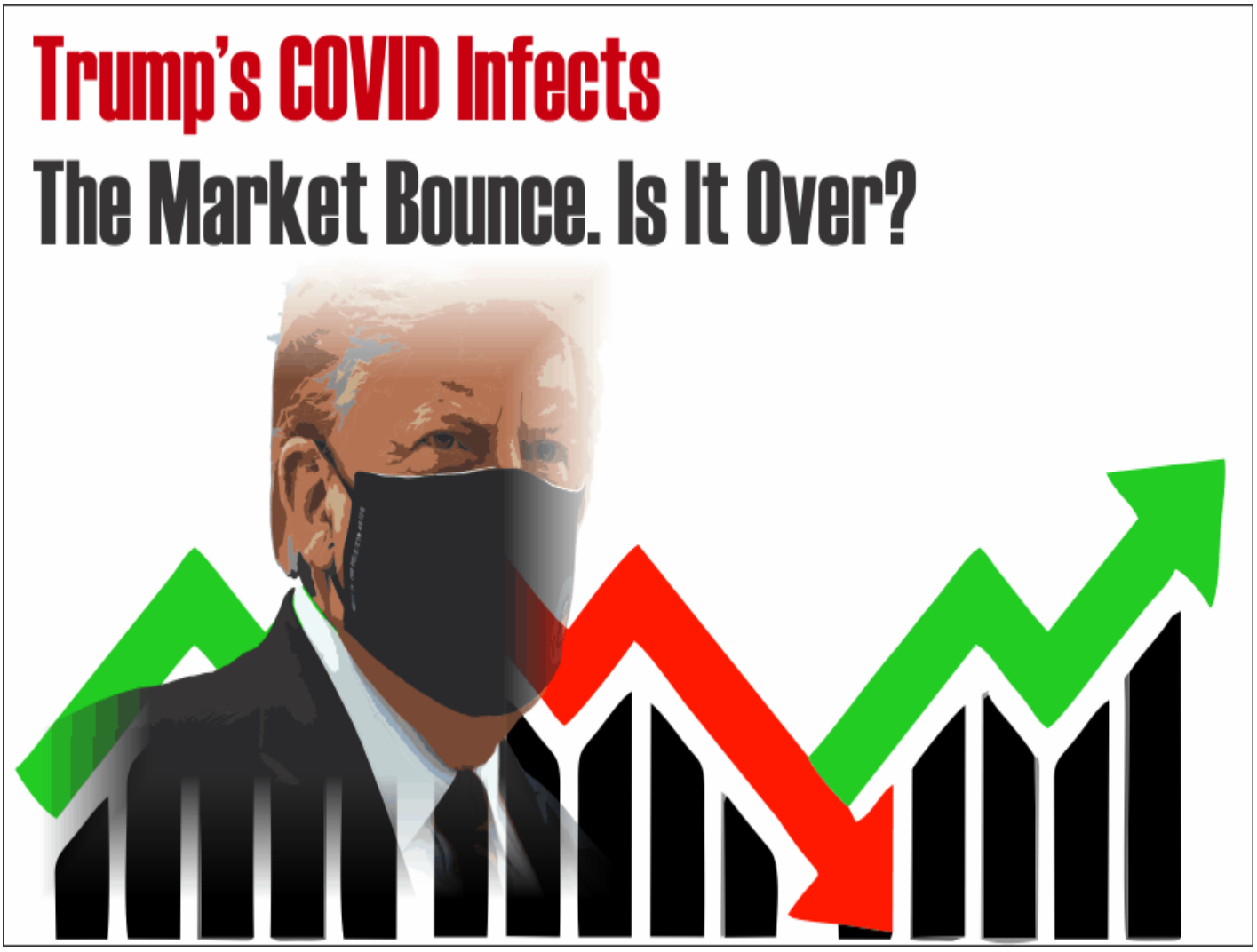
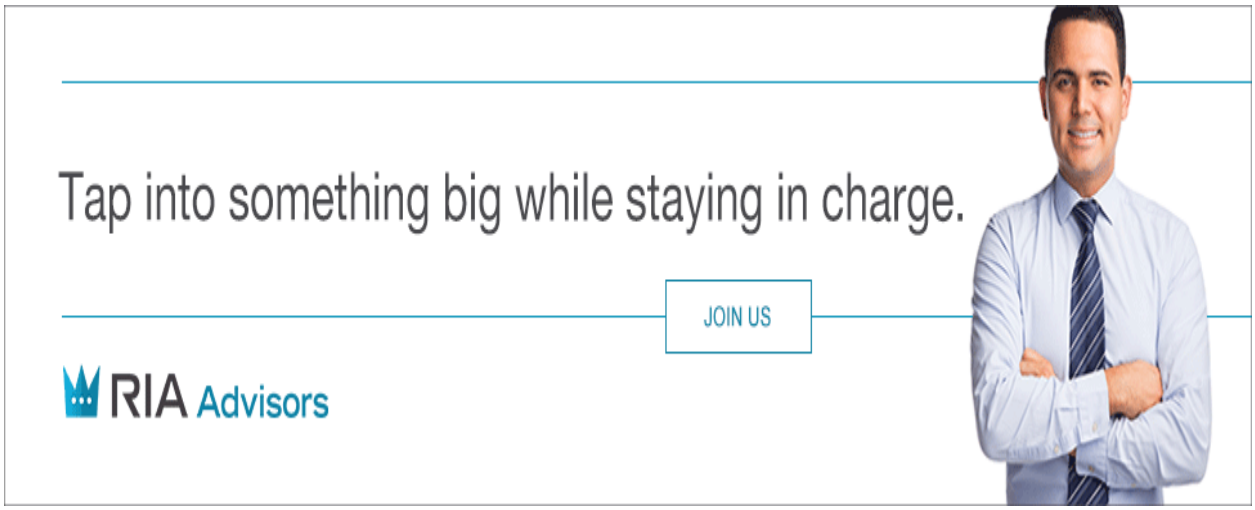


- ***Administrative Note***
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- ***MacroView: The Astonishing Lack Of Value In Value***
- ***Sector & Market Analysis***
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Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 10-02-20

Written by Lance Roberts | Oct 2, 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.

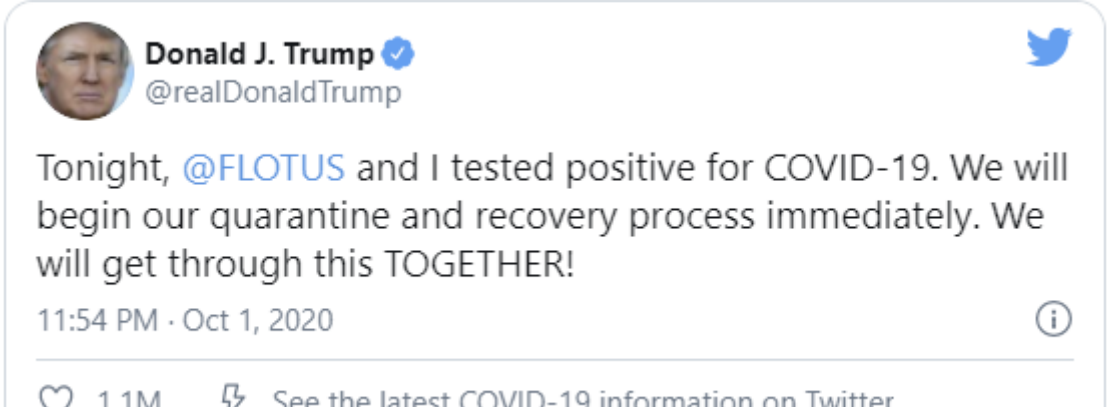
>> Read More

Administrative Note

Yes. Yes. I know. I have not done any videos this week for our ***YouTube Channel.*** **One of the benefits of getting older is you get the opportunity to undergo unexpected surgeries.** In this case, a hernia that knocks you out of action for a few days. I will be back in action shortly, and appreciate all the kind emails of support and outreach. However, with that said, I am on a lot of drugs while writing this. **So, if you disagree with my views this week, I will blame the drugs.** The drugs are also why this week's message will be a bit shorter than usual. Next week, everything should return to normal. But, to make up for "what I didn't do this week," I am giving everyone access to the ***FULL Subscriber Report this week.*** Thank you again for your patience and support.

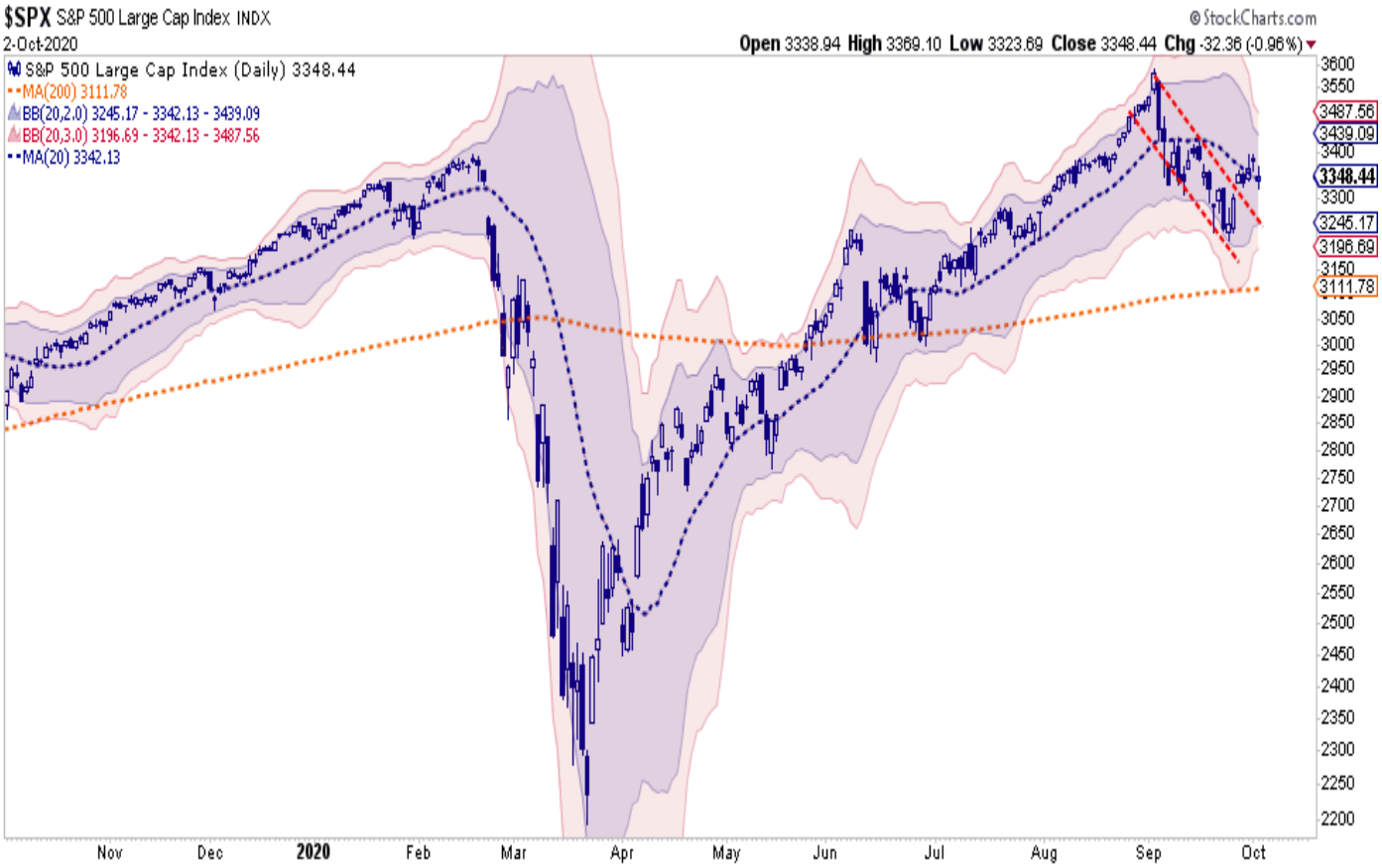
Market Catches Trump's COVID Infection

Everything was working according to plan this week, until Friday morning. As news hit that the open with Dow

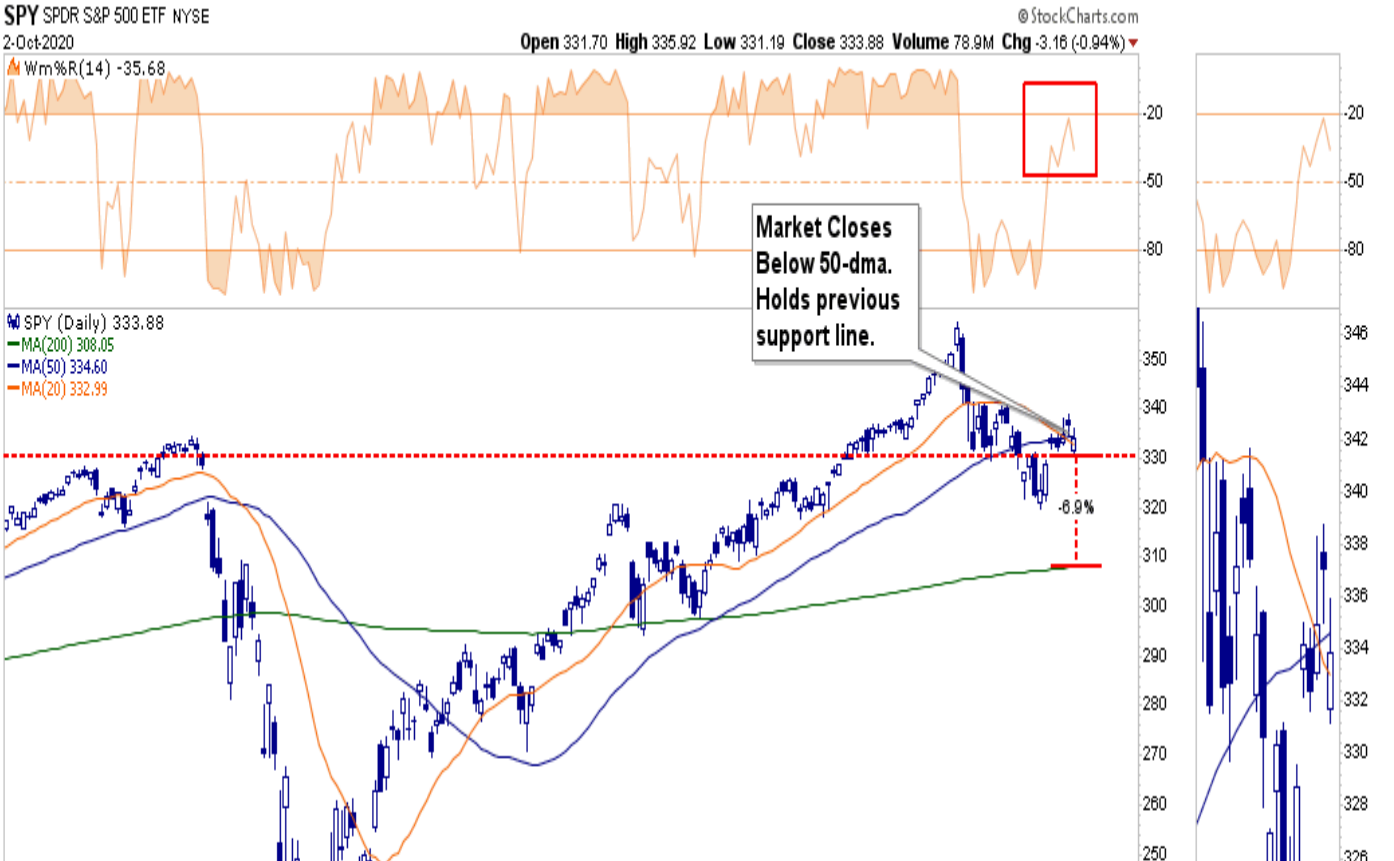


missive ***"The Selloff Is Overdone,"*** noted the decline was orderly and not one of a "*panic*" induced rout.

> *"While the sell-off in the market has gotten overdone short-term, we still suggest using rallies back to the 50-dma to rebalance portfolio risks.* ***If the market can break above resistance on Monday, clear the 50- and 20-dma's, then old highs should not be an issue.****"*



As shown below, the market did only *"some"* of the hard work by holding the previous resistance level, making it support, breaking out of the downtrend, but failing to clear the 50-dma. Such is an improvement from our last analysis but keeps downside risk elevated going into next week.



Notably, while the rally that we have witnessed from the recent lows has eaten up a fair bit of the previous oversold condition, the MACD *"buy signal"* was triggered on Friday. Such suggests that we could see some additional buying next week. **However, again, with the failure at the 50-dma, such means continuing to use rallies to rebalance risks accordingly.** With the election already a concern, no fiscal stimulus on the way, and rising weakness in the economic data, we added a short-market hedge to portfolios on Friday to reduce our equity exposure over the next few days as a precaution. That is just part of our risk management process.

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Does It Matter Who Wins The Election?

I got a lot of emails following our previous discussion on ***market performance during Presidential election years.*** The basic premise of these emails was:

> *"Yes, but if Biden wins the election, the market will crash."*

I understand. But let's remember that in 2016, the media claimed that if Trump won the Presidential election, the market would crash. It didn't. Yes, Biden's proposed tax changes, green energy plans, and Government takeover of *"healthcare"* would indeed be bad for the markets. Such policies would weaken corporate profitability, specific sectors *(energy and healthcare)* would come under stress, and the surge in debt will make the Fed's programs less effective. However, the reality is that while Presidential candidates make lots of claims on the campaign trail, it is Wall Street that ultimately dictates the eventual outcomes. Such is why many suggest that our Congressmen wear racing jackets to see who is sponsoring them for office.



If you think for a moment that Congress comes up with, and writes, bills on their own, you are sadly

mistaken. They are not that smart. Such is why whenever bills come to the floor for a vote, they always favor the group or industry whose lobby wrote and promoted the bill in the beginning. **I am not cynical. It is just how the Government works.** From a policy change perspective, assuming Joe Biden wins the November election, Trump remains in office until January 20th of 2021. That gives the market roughly 3-months to begin pricing in what the expected policy impact will be. **Time is always kind to the market.** It is still the quick, unexpected, exogenous events, like shutting down the economy, that markets do not take kindly too.

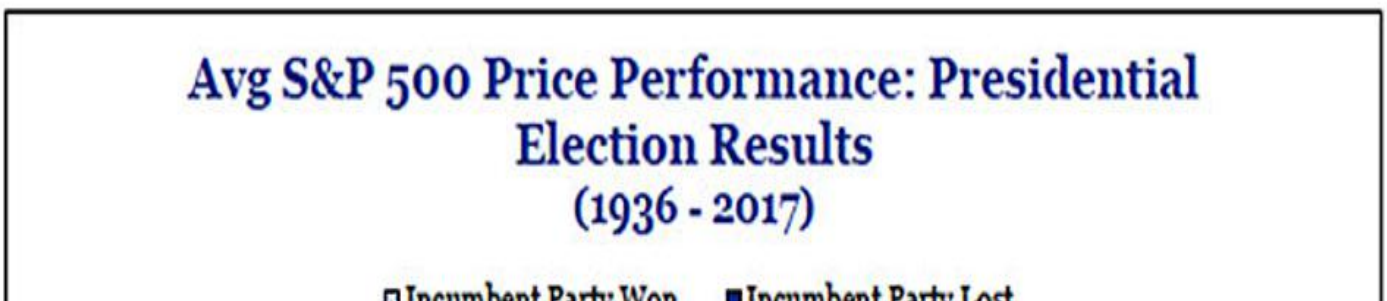
Presidential Election Returns

Historical market data also confirms the same. While I detailed the historical data previously, Dan Clifton of Strategas Research Partners also shows the markets don't care much about election outcomes. His data is interesting as it shows how stock market performance leading up to an election has been an indicator of the outcome. The performance of the S&P 500 in the three months before an election has predicted 87% of elections since 1928 and 100% since 1984. When returns were positive, the incumbent party wins. If the index suffered losses in the three-month window, the incumbent loses.

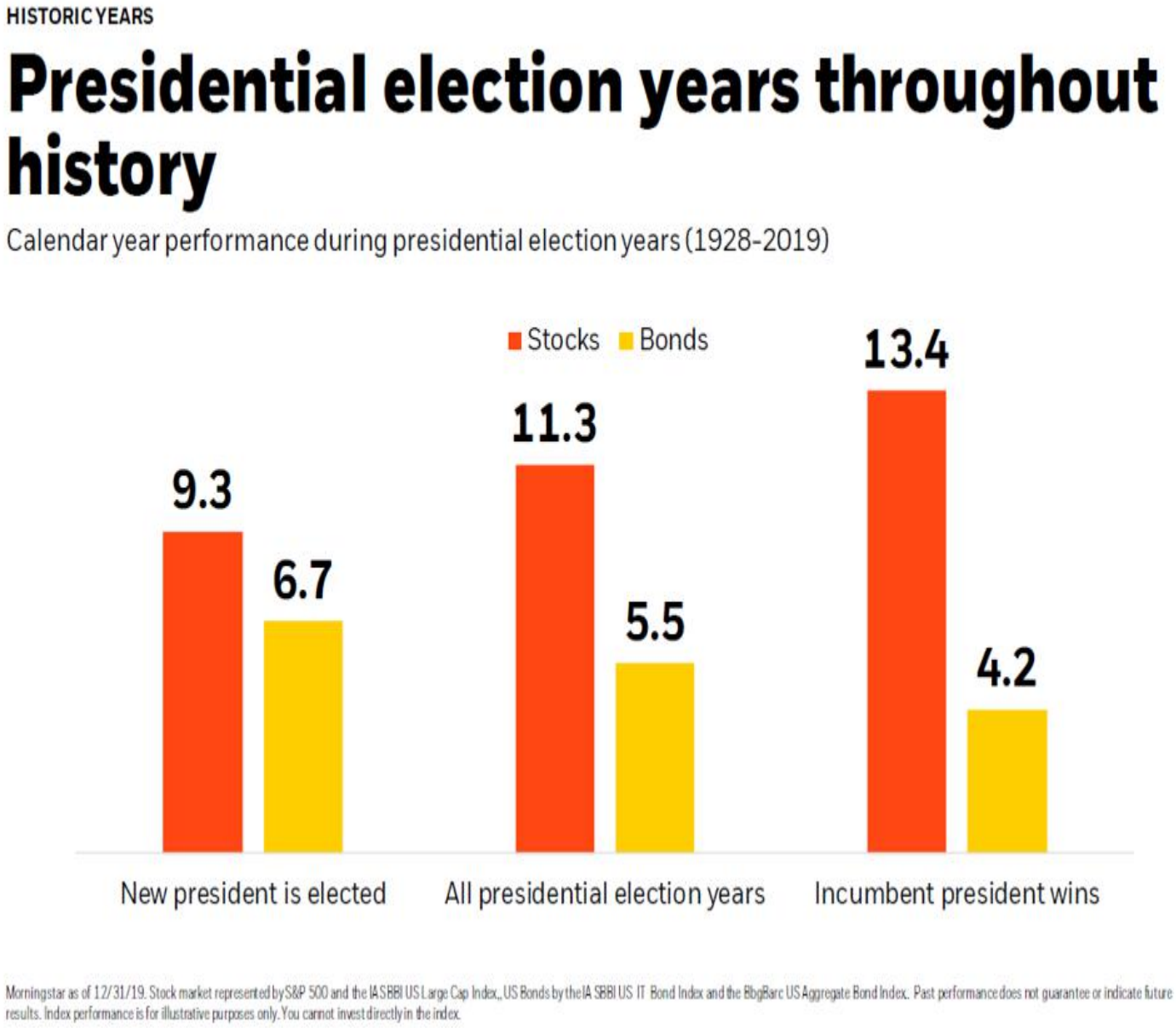


For now, the market is favoring a Trump win. However, 1-year after the election, returns were positive regardless of who won or lost. In other words, the market ultimately doesn't care who is in office. **Finally, markets only care if the economic backdrop is strong enough to support earnings growth and valuation expansion.**

THE S&P 500 HAS BEEN A GREAT INDICATOR OF PRESIDENTIAL ELECTIONS 3 MONTHS OUT



However, it is worth noting that while returns are positive regardless of who is elected, it should be of no surprise the markets performed better during a year when voters re-elect the incumbent. The market hates uncertainty. In this case, Biden presents many unknowns: the potential for increased regulations, higher taxes, and other shifts the market perceives as anti-business.



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But A Biden Win Could Be Positive Too

While you may not like the title, let me explain. The one thing holding back the market, the economy, and more importantly, the Federal Reserve, is the lack of another *"fiscal stimulus"* package from Washington. As my colleague Doug Kass explains:

> *"A Biden Presidential win (and possible Congressional sweep) could be market-friendly. Before one objects to my interpretation, let me explain. The government (and by that I mean both the Congress and the White House) has failed our small businesses*

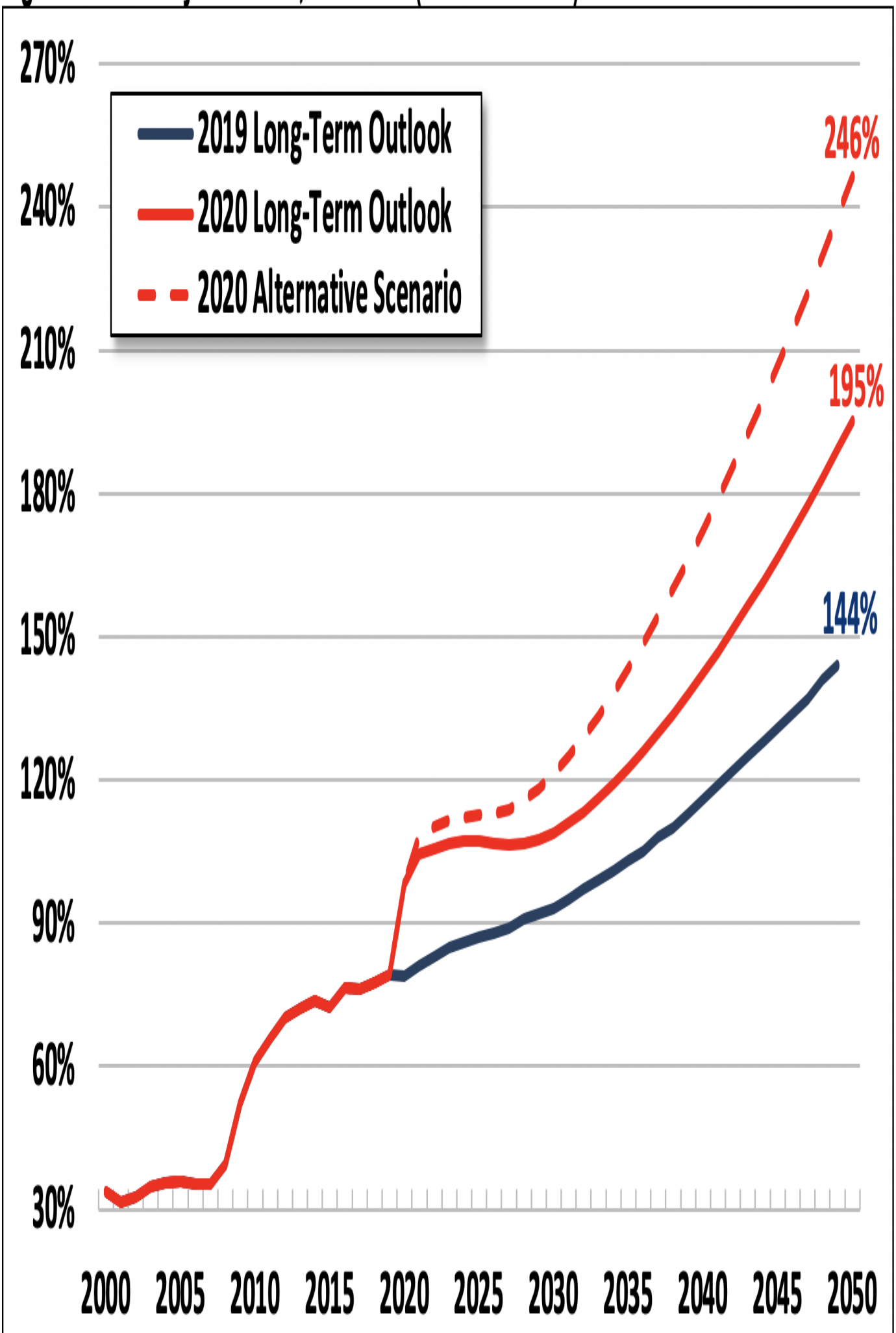
> *that have been gutted by Covid-19. As Jim Cramer tweeted, "they failed us," the big ones won (Amazon (AMZN) , Target (TGT) , Costco (COST) , Walmart (WMT) , etc.)* ***and it is growing almost too late for fiscal stimulus that could provide the necessary help to Main Street: So, most importantly, a Biden win and Democratic sweep of Congress would hasten the imperative and passage of a massive fiscal stimulus program****."*

Don't Get All In A Bunch

Before you get all fired up and start emailing me, this is NOT about politics. *(Also, remember I am on drugs.)* I am only discussing the investing outcome. As I noted last week, the Federal Reserve is trying to plug a hole that fiscal policy was widely expected to fill by now. However, the Fed's ability to expand on current programs is limited to the Treasury Department's issuance of additional debt. **Without another "*fiscal relief*" bill, there isn't enough debt issuance to support another round of interventions by the Fed.** The Fed needs a stimulus program to expand QE, and they need it now. https://twitter.com/LanceRoberts/status/1311630869606604800?s=20 Of course, more debt is also a problem, but that is the story we discussed in our ***MacroView yesterday.***

> *Projected debt in 2050 is nearly five times higher than the 50-year average of 42 percent of GDP. It will be on track to double the previous record of 106 set just after World War II. In dollar terms, debt will rise from nearly $21 trillion today to $121 trillion by 2050.? - CFRB*

Fig. 1: Debt Held by the Public, 2000-2050 (Percent of GDP)



> ***?Actual debt levels could grow significantly faster than CBO forecasts. Under our alternative scenario, debt would reach 246 percent of GDP in 2050.*** *Even under current law, high and rising debt represents a large fiscal gap.* ***For example, CBO estimates policymakers would need to enact 3.6 percent of GDP in spending cuts and tax increases starting in 2025.*** *Such actions could restore the debt to 2019 levels by 2050.* ***That?s the equivalent of cutting all spending by one-sixth or increasing all revenue by one-fifth.?*** *- CFRB*

Neither of those things will happen. More importantly, those are not market-friendly in the long-term. **So what should you do?**

> *Invest based on what you know. Hedge for what don't know.*

(opens in a new tab)

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Portfolio Positioning Update

So what do we know? As ***noted last week,*** the short-term *"selloff"* was overdone. We stated:

> ***"This past week, we continued to look for a 'tradeable bottom,' but did not see a reasonable risk/reward set up just yet.*** *Given the extent of the correction over the last three weeks, and the increase in negative sentiment, we will likely add trading positions to portfolios on Monday. We will primarily focus on the Technology, Communications, Discretionary, and Staples sectors. Such aligns with our short-term "risk-reward" ranges, which are provided weekly to our* ***RIAPRO Subscribers (Click Here For 30-day Free Trial)****"*

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	335.05	1.57	(2.60)	5.06	16.51	13.18	333.71	308.73	336.06	0.99	344.46	327.66	0%	9%	BULLISH
XLB	SPDR-MATLS SELS	63.30	(0.22)	0.83	4.09	9.44	(0.77)	62.34	56.19	63.64	1.11	65.94	61.34	2%	13%	BULLISH
XLC	SPDR-COMM SV SS	59.06	(0.64)	(1.81)	(2.71)	5.49	6.35	59.40	54.03	59.40	1.00	61.48	57.32	-1%	9%	BULLISH
XLE	SPDR-EGY SELS	29.31	(4.45)	(13.35)	(22.59)	(30.17)	(62.10)	35.25	37.19	29.95	1.64	31.19	28.71	-17%	-21%	BEARISH
XLF	SPDR-FINL SELS	24.30	1.88	(1.32)	(1.48)	(7.98)	(24.69)	24.37	23.94	24.07	1.14	24.95	23.19	0%	1%	BULLISH
XLK	SPDR-TECH SELS	114.94	(0.69)	(0.10)	1.28	12.26	29.51	113.43	100.33	116.70	1.06	120.86	112.54	1%	15%	BULLISH
XLI	SPDR-INDU SELS	77.61	(0.10)	2.30	9.05	6.49	(10.54)	75.10	69.98	76.98	1.15	79.79	74.17	3%	11%	BULLISH
XLP	SPDR-CONS STPL	64.10	0.11	0.40	1.26	(10.56)	(8.79)	63.35	60.40	64.10	0.57	66.07	62.13	1%	6%	BULLISH
XLRE	SPDR-RE SELS	36.43	3.51	3.09	(0.98)	(11.03)	(20.72)	35.66	35.05	35.27	0.70	36.40	34.14	2%	4%	BULLISH
XLU	SPDR-UTIL SELS	60.69	1.79	4.82	(0.01)	(16.24)	(19.48)	59.42	59.33	59.38	0.35	61.07	57.69	2%	2%	BULLISH
XLV	SPDR-HLTH CR	104.16	(0.46)	1.14	(1.64)	(13.15)	2.38	105.37	100.15	105.48	0.78	108.94	102.02	-1%	4%	BULLISH
XLY	SPDR-CONS DISCR	148.27	1.46	3.35	6.16	14.79	11.18	142.22	126.16	146.98	1.16	152.36	141.60	4%	18%	BULLISH
XTN	SPDR-SP TRANSPT	59.38	0.91	0.53	5.38	13.33	(12.60)	57.82	53.23	58.15	1.35	60.39	55.91	3%	12%	BULLISH
SDY	SPDR-SP DIV ETF	93.43	1.00	(0.81)	(1.41)	(9.05)	(20.49)	94.41	91.54	92.40	0.88	95.53	89.27	-1%	2%	BULLISH
RSP	INVS-SP5 EQ ETF	108.98	0.87	0.71	1.71	0.70	(10.68)	108.19	101.66	108.11	1.09	111.99	104.23	1%	7%	BULLISH
SLY	SPDR-SP6 SC	62.35	3.38	0.82	2.32	5.18	(18.80)	62.08	58.50	60.87	1.24	63.14	58.60	0%	7%	BULLISH
MDY	SPDR-SP MC 400	346.52	3.20	2.73	2.21	5.47	(13.18)	342.05	320.90	338.83	1.17	351.27	326.39	1%	8%	BULLISH
EEM	ISHARS-EMG MKT	43.99	0.88	1.81	(3.33)	4.81	(5.81)	43.98	40.24	44.09	0.88	45.58	42.60	0%	9%	BULLISH
EFA	ISHARS-EAFE	63.89	(0.28)	1.62	(2.56)	(1.89)	(13.62)	64.07	60.63	63.65	0.81	65.75	61.55	0%	5%	BULLISH

Such is what we did in both our Sector ETF Rotation and Equity Models. We did increase some of our existing holdings; we also sold positions that violated our stop levels. Importantly, we continue to hold a healthy dose of cash. We also remain exposed to high-quality credit primarily in the areas the Federal Reserve continues to buy *(i.e., Treasuries and MBS.)* We also added a market-short position on Friday as a risk-hedge for the next few days. For now, we continue to play the rally for what it is - **a sellable one.** Over the next few weeks, a retracement back towards previous highs is possible. However, without fiscal support well on its way, another correction is likely. On a longer-term basis, as shown in the chart below, the market remains well deviated from longer-term means. That deviation will get resolved either through price or time. We don't know which one it will be.



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The MacroView



#MacroView: CBO – The "One-Way Trip" Of American Debt

Written by Lance Roberts | Oct 2, 2020

The amount of outstanding debt, and the subsequent deficit, has long been a problem in the U.S. With each passing year, growth rates weaken, and economic prosperity worsens. The latest CBO report substantiates the problem.

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Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet



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Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	14.50%	15.89%	3.72%	(76.58%)
Max Drawdown	-35.63%	-35.63%	-35.63%	0.00%
Sharpe	0.44	0.77	0.17	(0.78)
Sortino	0.48	0.77	0.20	(0.75)
Volatility	26.03	32.74	37.48	0.14
Daily VaR-5%	(30.02)	(29.31)	(54.65)	0.86
Mnthly VaR-5%	(22.65)	(20.88)	(34.03)	0.63

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.73%	1.85%	1.58%	(16.74%)	2.20%	1.53%	(27.89%)	3.44%
P/E Ratio	20.51	18.10	23.74	23.78%	2374%	1629%	0.0%	45.75%
P/S Ratio	4.18	3.81	4.21	9.50%	4.41	3.22	(4.57%)	30.98%
P/B Ratio	5.29	5.07	5.77	12.13%	6.04	3.96	(4.57%)	45.71%
ROE	20.23%	21.70%	20.22%	(7.30%)	22.03%	17.61%	(8.22%)	14.87%
ROA	4.01%	4.23%	3.79%	(11.86%)	4.31%	3.51%	(12.18%)	7.99%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	3,240.9	3,053.5	(5.78%)
Sales	72,023	70,556	(2.04%)
SPS	22.2	23.1	3.98%
Earnings	11,603	10,454	(9.91%)
EPS TTM	4.6	4.1	(11.44%)
Dividend	1.6	1.6	(0.30%)

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	(46.51%)	2.06%	1.76	24.93	124.10	11.36	(79.9%)	2.8%	7.2%	4.16%	0.74	42.79
Materials	12.91%	2.62%	1.26	23.33	23.19	13.86	0.6%	7.7%	2.1%	4.38%	3.26	21.16
Industrials	(0.64%)	8.28%	1.10	24.61	24.63	14.65	(0.1%)	12.9%	1.7%	4.17%	3.29	23.98
Discretionary	34.65%	11.55%	1.28	47.60	49.35	20.58	(3.6%)	15.3%	0.6%	2.12%	3.94	38.02
Staples	8.09%	6.97%	0.57	22.27	22.83	17.65	(2.5%)	28.6%	2.6%	4.50%	4.07	21.53
Health Care	18.98%	14.23%	0.76	17.62	19.47	15.08	(9.5%)	29.2%	1.7%	5.68%	7.01	16.81
Financials	(8.94%)	9.67%	1.27	14.11	18.50	10.51	(23.7%)	8.2%	2.3%	7.23%	4.52	14.27
Technology	47.85%	28.15%	1.11	30.46	32.72	14.63	(6.9%)	51.7%	1.0%	3.28%	4.64	28.98
Telecom	19.34%	10.79%	0.91	24.78	27.01	17.61	(8.3%)	16.0%	0.8%	4.02%	6.17	23.98
Utilities	(4.92%)	2.96%	0.44	18.91	22.10	15.58	(14.4%)	10.7%	3.4%	5.39%	3.76	17.84
Real Estate	(5.38%)	2.64%	0.91	20.44	21.41	16.91	(4.5%)	8.4%	2.9%	5.03%	4.08	20.51

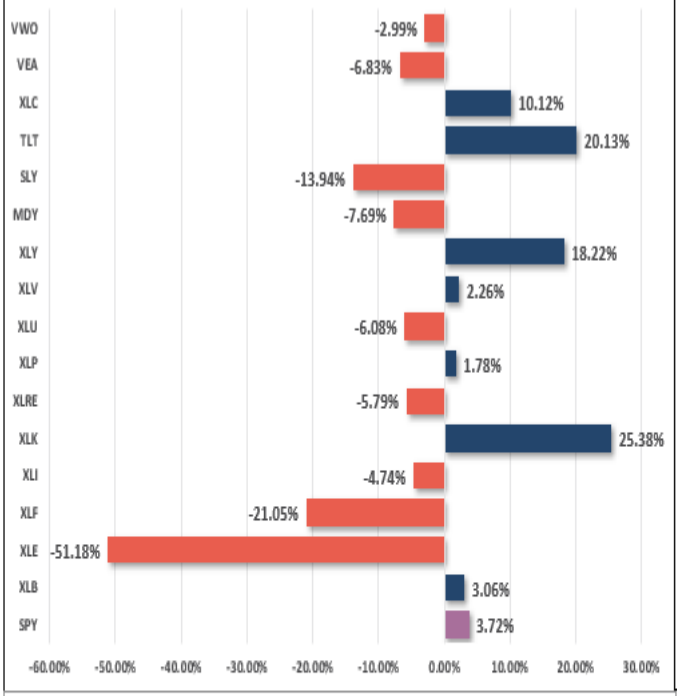
Momentum Analysis

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	333.84	4.04%	336.08	2	(0.67%)	310.48	70	7.52%	8.24%	(6.94%)	52.96%	Buy
Mid Cap	346.52	2.76%	345.75	1	0.22%	329.09	6	5.30%	5.06%	(9.87%)	61.76%	Buy
Small Cap	62.35	3.09%	62.89	13	(0.86%)	60.56	3	2.96%	3.86%	(16.00%)	52.89%	Buy

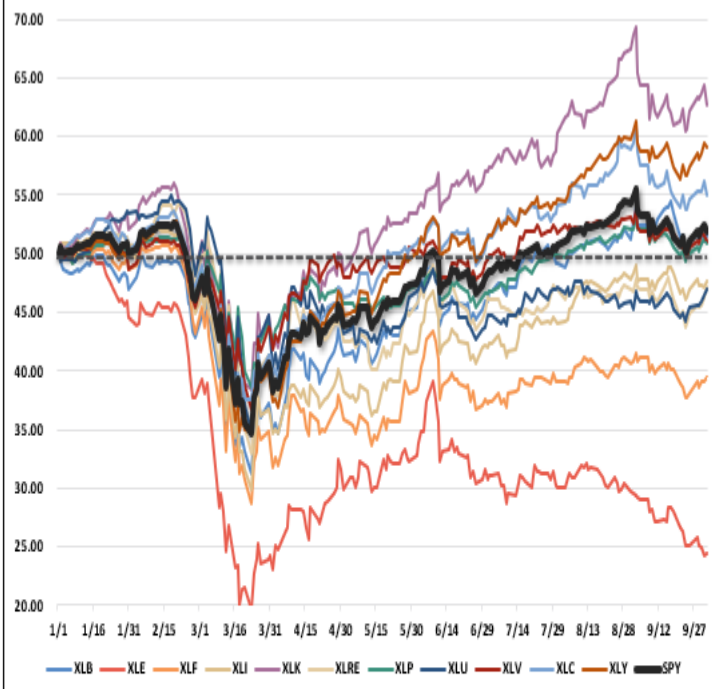
Performance Analysis

Year To Date Performance

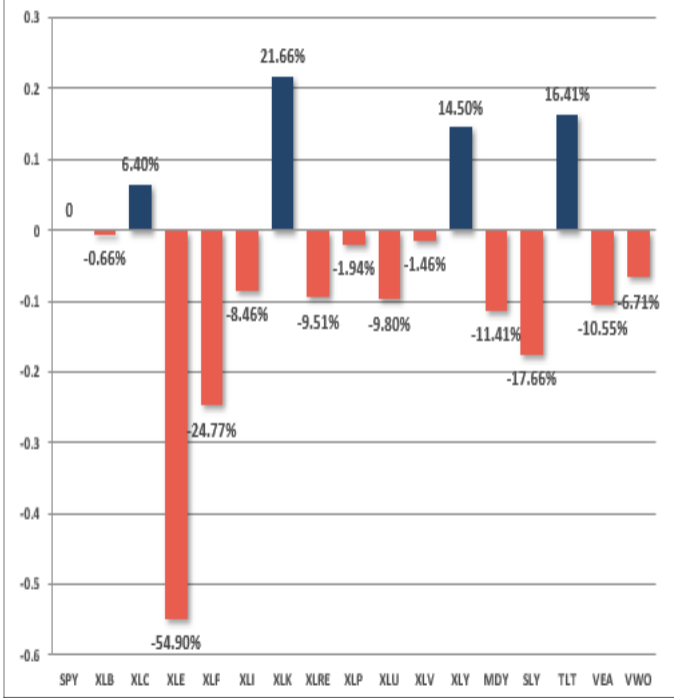
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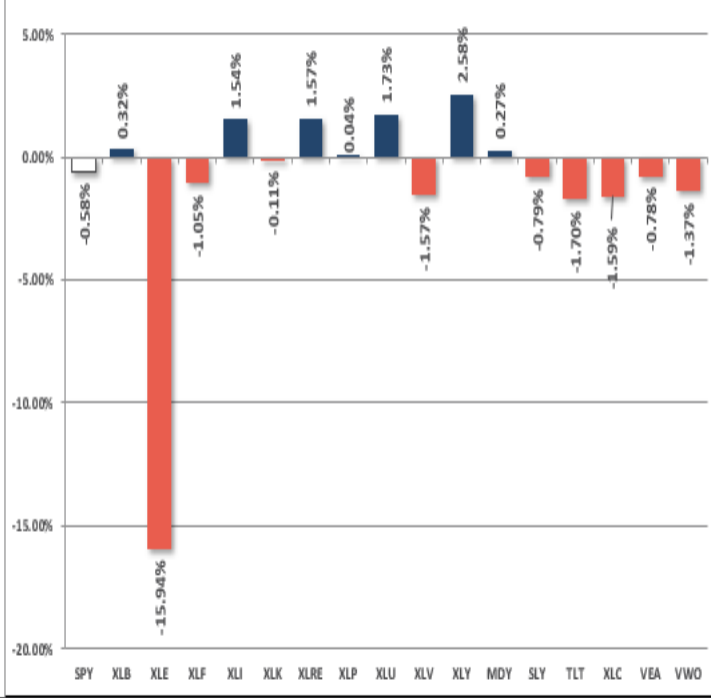
YTD Price - S&P Sectors Recalibrated To $50/share



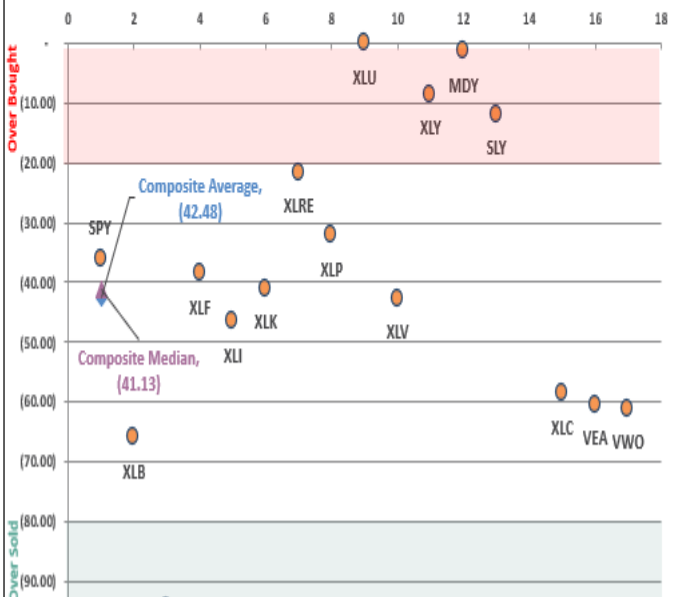
Year To Date Performance Relative To S&P 500



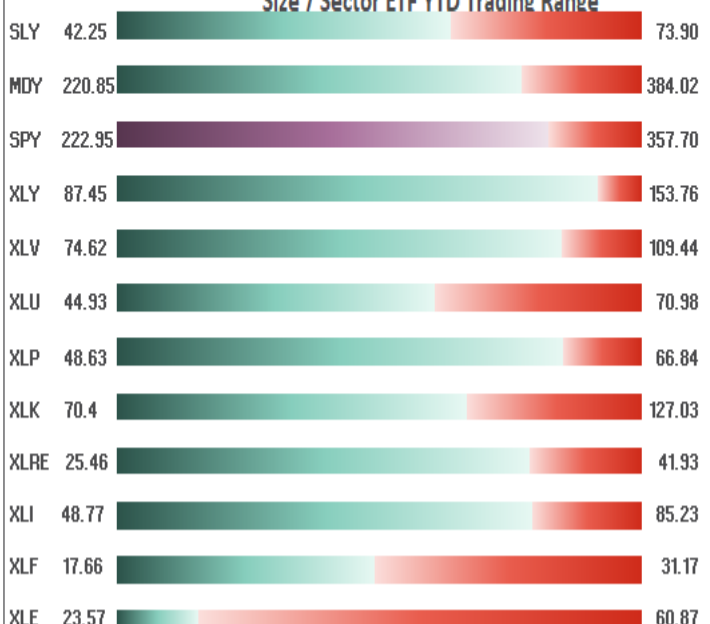
Price Deviation From 50-Day Moving Average



Overbought/Oversold 14-Periods

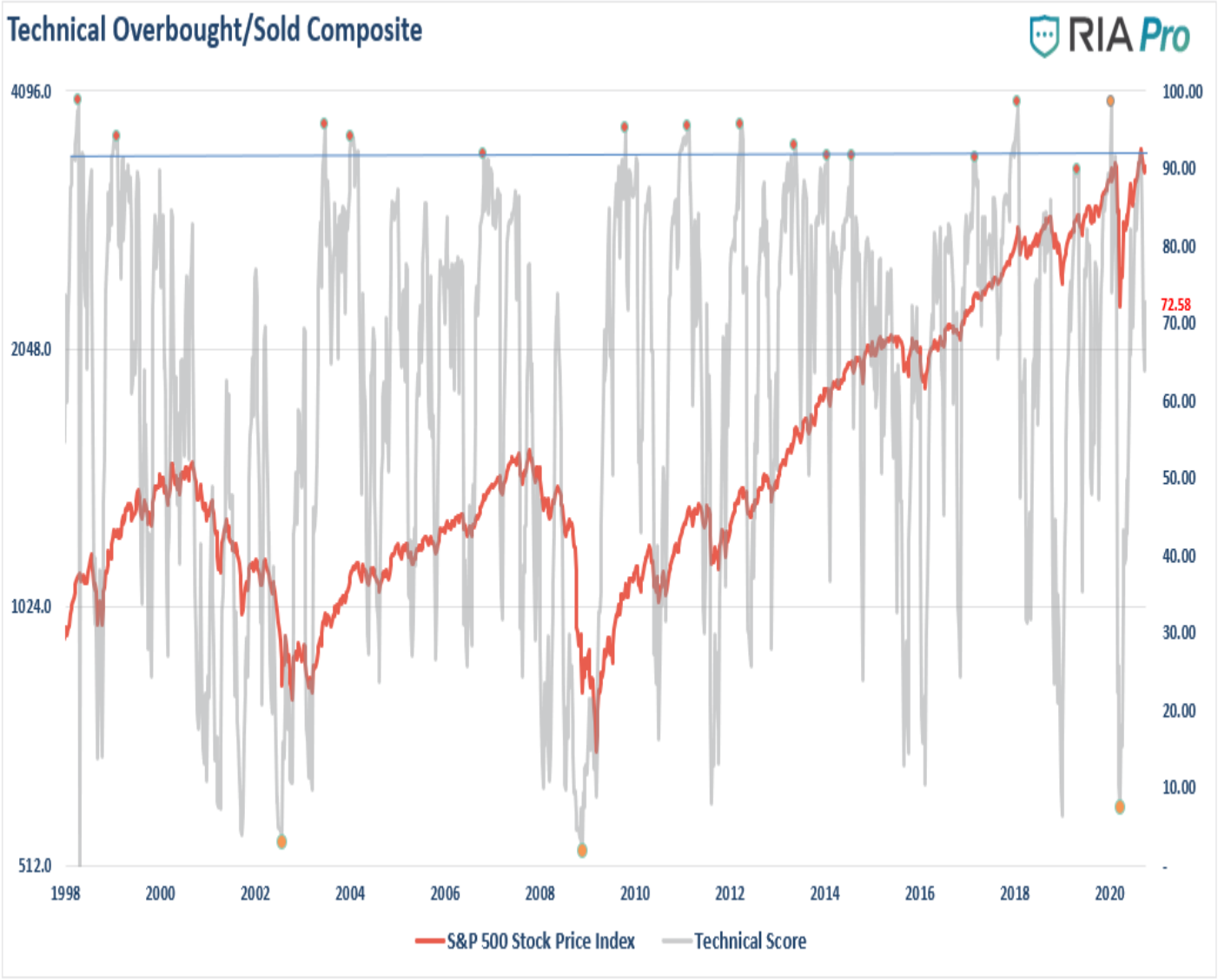


Size / Sector ETF YTD Trading Range



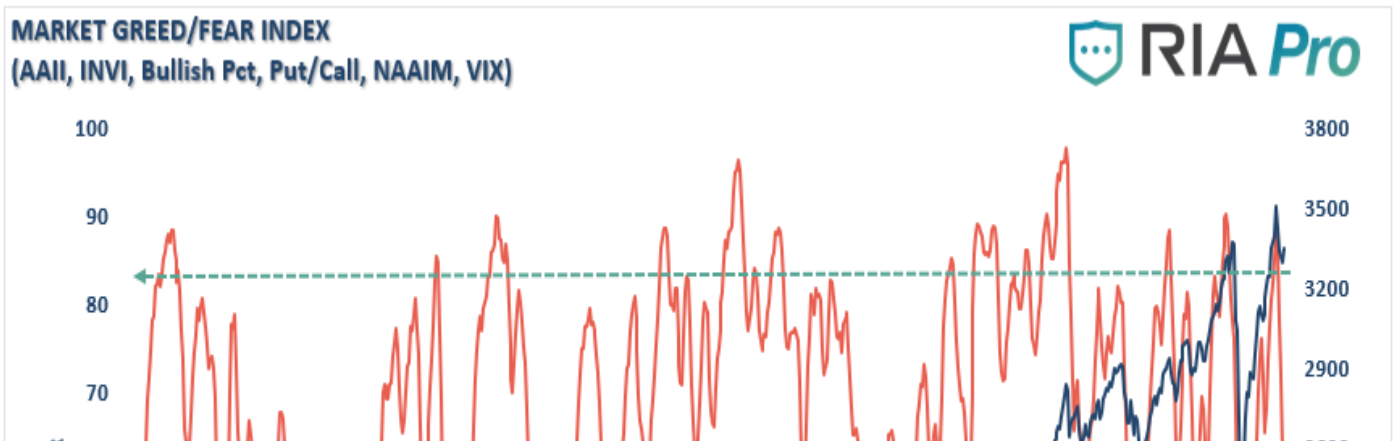
Technical Composite

The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" is oversold.



Portfolio Positioning "Fear / Greed" Gauge

The "Fear/Greed" gauge is how individual and professional investors are "positioning" themselves in the market based on their equity exposure. From a contrarian position, the higher the allocation to equities, to more likely the market is closer to a correction than not. The gauge uses weekly closing data.



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	335.05	1.57	(2.60)	5.06	16.51	13.18	333.71	308.73	336.06	0.99	344.46	327.66	0%	9%	BULLISH
XLB	SPDR-MATLS SELS	63.30	(0.22)	0.83	4.09	9.44	(0.77)	62.34	56.19	63.64	1.11	65.94	61.34	2%	13%	BULLISH
XLC	SPDR-COMM SV SS	59.06	(0.64)	(1.81)	(2.71)	5.49	6.35	59.40	54.03	59.40	1.00	61.48	57.32	-1%	9%	BULLISH
XLE	SPDR-EGY SELS	29.31	(4.45)	(13.35)	(22.59)	(30.17)	(62.10)	35.25	37.19	29.95	1.64	31.19	28.71	-17%	-21%	BEARISH
XLF	SPDR-FINL SELS	24.30	1.88	(1.32)	(1.48)	(7.98)	(24.69)	24.37	23.94	24.07	1.14	24.95	23.19	0%	1%	BULLISH
XLK	SPDR-TECH SELS	114.94	(0.69)	(0.10)	1.28	12.26	29.51	113.43	100.33	116.70	1.06	120.86	112.54	1%	15%	BULLISH
XLI	SPDR-INDU SELS	77.61	(0.10)	2.30	9.05	6.49	(10.54)	75.10	69.98	76.98	1.15	79.79	74.17	3%	11%	BULLISH
XLP	SPDR-CONS STPL	64.10	0.11	0.40	1.26	(10.56)	(8.79)	63.35	60.40	64.10	0.57	66.07	62.13	1%	6%	BULLISH
XLRE	SPDR-RE SELS	36.43	3.51	3.09	(0.98)	(11.03)	(20.72)	35.66	35.05	35.27	0.70	36.40	34.14	2%	4%	BULLISH
XLU	SPDR-UTIL SELS	60.69	1.79	4.82	(0.01)	(16.24)	(19.48)	59.42	59.33	59.38	0.35	61.07	57.69	2%	2%	BULLISH
XLV	SPDR-HLTH CR	104.16	(0.46)	1.14	(1.64)	(13.15)	2.38	105.37	100.15	105.48	0.78	108.94	102.02	-1%	4%	BULLISH
XLY	SPDR-CONS DISCR	148.27	1.46	3.35	6.16	14.79	11.18	142.22	126.16	146.98	1.16	152.36	141.60	4%	18%	BULLISH
XTN	SPDR-SP TRANSPT	59.38	0.91	0.53	5.38	13.33	(12.60)	57.82	53.23	58.15	1.35	60.39	55.91	3%	12%	BULLISH
SDY	SPDR-SP DIV ETF	93.43	1.00	(0.81)	(1.41)	(9.05)	(20.49)	94.41	91.54	92.40	0.88	95.53	89.27	-1%	2%	BULLISH
RSP	INVS-SP5 EQ ETF	108.98	0.87	0.71	1.71	0.70	(10.68)	108.19	101.66	108.11	1.09	111.99	104.23	1%	7%	BULLISH
SLY	SPDR-SP6 SC	62.35	3.38	0.82	2.32	5.18	(18.80)	62.08	58.50	60.87	1.24	63.14	58.60	0%	7%	BULLISH
MDY	SPDR-SP MC 400	346.52	3.20	2.73	2.21	5.47	(13.18)	342.05	320.90	338.83	1.17	351.27	326.39	1%	8%	BULLISH
EEM	ISHARS-EMG MKT	43.99	0.88	1.81	(3.33)	4.81	(5.81)	43.98	40.24	44.09	0.88	45.58	42.60	0%	9%	BULLISH
EFA	ISHARS-EAFE	63.89	(0.28)	1.62	(2.56)	(1.89)	(13.62)	64.07	60.63	63.65	0.81	65.75	61.55	0%	5%	BULLISH
IAU	ISHARS-GOLD TR	18.13	0.46	0.81	0.47	(3.76)	12.63	18.30	16.88	17.99	0.08	18.45	17.53	-1%	7%	BULLISH
GDX	VANECK-GOLD MNR	38.97	(0.14)	(2.03)	(3.58)	13.65	26.64	40.85	34.59	39.16	0.72	40.42	37.90	-5%	13%	BULLISH
UUP	INVS-DB US$ BU	25.37	(2.27)	3.71	(7.90)	(22.58)	(19.08)	25.37	26.23	25.35	(0.10)	25.96	24.74	0%	-3%	BEARISH
IXUS	ISHARS-CR INT S	58.49	0.17	1.80	(1.71)	1.65	(10.91)	58.38	54.46	58.34	0.85	60.29	56.39	0%	7%	BULLISH
TLT	ISHARS-20+YTB	162.75	(3.00)	2.60	(7.22)	(19.52)	(1.70)	165.78	162.90	163.26	(0.31)	166.84	159.68	-2%	0%	BULLISH
BNDX	VANGD-TTL INT B	58.21	(1.56)	3.12	(4.36)	(14.16)	(14.38)	58.01	57.48	58.19	0.03	59.66	56.71	0%	1%	BULLISH
HYG	ISHARS-IBX HYCB	83.83	(0.51)	1.81	(3.44)	(13.13)	(16.19)	84.24	82.35	83.90	0.39	86.32	81.48	0%	2%	BULLISH

RIA Pro

REAL INVESTMENT ADVICE

Weekly Stock Screens

Currently, there are 3-different stock screens for you to review. The first is S&P 500 based companies with a *"Growth"* focus, the second is a *"Value"* screen on the entire universe of stocks, and the last are stocks that are "*Technically"* strong and breaking above their respective 50-dma. We have provided the yield of each security and a Piotroski Score ranking to help you find fundamentally strong companies on each screen. ***(For more on the Piotroski Score - read this report.)***

S&P 500 Growth Screen

Ticker	Company	Current Price	Next 3-5 Yr Est EPS Gr rate	5 yr Hist Sales Gr	Div Yield	P/E using 12 mo EPS	Score
AMAT	Appld Matls Inc	58.21	12.66	12.59	1.51	15.61	9
MCO	Moodys Corp	293.96	10.00	9.32	0.76	30.34	9
LLY	Lilly Eli & Co	145.21	15.69	3.67	2.04	21.20	8
LOW	Lowes Cos	166.49	16.61	5.54	1.32	21.16	8
PG	Procter & Gambl	138.12	6.53	0.64	2.29	26.98	8
SPGI	S&P Global Inc	362.98	10.00	5.97	0.74	32.64	8
TMO	Thermo Fisher	435.06	15.50	11.32	0.20	32.66	8
ATVI	Activision Blzd	78.30	15.97	7.42	0.52	26.54	7
AZO	Autozone Inc	1,176.99	9.48	3.75	-	16.34	7
BLK	Blackrock Inc	570.12	10.00	7.55	2.55	19.04	7
CPRT	Copart Inc	107.34	13.00	16.55	-	41.77	7
DOV	Dover Corp	110.05	11.50	0.52	1.80	19.44	7
DPZ	Dominos Pizza	433.78	13.89	13.79	0.72	38.59	7
HUM	Humana Inc New	408.31	12.34	4.94	0.61	16.16	7
JBHT	Hunt (Jb) Trans	127.49	15.00	10.87	0.85	26.18	7
KEYS	Keysight Tech	98.27	8.76	11.47	-	23.74	7
KMB	Kimberly Clark	147.43	5.49	0.24	2.90	18.71	7
QRVO	Qorvo Inc	130.57	12.35	4.94	-	22.21	7
ROP	Roper Technolgs	395.72	10.50	11.35	0.52	31.23	7
SHW	Sherwin William	688.98	9.22	13.44	0.78	31.18	7
TGT	Target Corp	159.10	7.22	2.75	1.71	22.66	7
UNH	Unitedhealth Gp	311.98	12.66	10.90	1.60	16.75	7
UPS	Utd Parcel Srvc	166.96	7.90	6.64	2.42	22.38	7
CDW	Cdw Corp	123.49	13.10	8.15	1.23	19.82	6
CTLT	Catalent Inc	85.88	16.47	11.67	-	45.92	6
DE	Deere & Co	224.79	8.18	9.68	1.35	26.60	6
EA	Electr Arts Inc	129.07	12.38	5.24	-	23.95	6
ETSY	Etsy Inc	131.63	28.48	32.29	-	107.89	6
FBHS	Fortune Brd H&S	87.52	7.32	5.44	1.10	23.65	6
FDX	Fedex Corp	255.20	12.00	8.62	1.02	22.54	6
IDXX	Idexx Labs Inc	383.85	15.32	10.73	-	72.56	6
KLAC	Kla Corp	191.96	7.55	16.49	1.88	18.57	6
MAS	Masco	55.29	14.92	1.28	0.98	21.94	6
MSI	Motorola Solutn	156.91	9.00	8.36	1.63	21.50	6
MTD	Mettler-Toledo	966.92	9.72	5.77	-	42.33	6
ODFL	Old Dominion Fl	184.56	9.48	9.46	0.33	37.46	6
ORLY	O Reilly Auto	458.24	14.64	6.15	-	22.46	6
PKG	Packaging Corp	108.42	5.00	5.57	2.91	16.65	6
PLD	Prologis Inc	104.22	7.70	10.79	2.23	27.79	6
REGN	Regeneron Pharm	564.80	13.50	16.83	-	22.98	6
RSG	Republic Svcs	93.32	7.88	3.01	1.82	27.45	6
BBY	Best Buy	112.42	6.76	2.63	1.96	17.54	5

Low P/B, High-Value Score, High Dividend Screen

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
SJM	Smucker Jm	116.47	1.59	11.79	3.09	9
CFR	Cullen Frost Bk	64.99	1.02	11.41	4.37	8
EBTC	Enterprise Bcp	21.06	0.79	10.48	3.32	8
FISI	Financial Inst	16.00	0.60	10.44	6.50	8
HPE	Hewlett Pkd Ent	9.42	0.75	12.14	5.10	8
LARK	Landmark Bcp	20.76	0.80	10.03	3.85	8
NTRS	Northern Trust	78.41	1.55	13.56	3.57	8
STT	State St Corp	59.68	0.94	12.65	3.49	8
TFC	Truist Finl Cp	39.98	0.87	10.16	4.50	8
TSLX	Sixth St Spclty	17.35	1.07	12.26	9.45	8
UNM	Unum Group	17.68	0.34	11.14	6.45	8
WTBA	West Bancorp	16.28	1.28	14.68	5.16	8
APOG	Apogee Entrprs	21.34	1.07	16.19	3.51	7
BANF	Bancfirst Okla	42.27	1.33	12.05	3.22	7
BK	Bank Of Ny Mell	34.74	0.78	10.34	3.57	7
BSRR	Sierra Bancorp	17.51	0.81	10.29	4.57	7
BXG	Bluegreen Vaca	5.27	0.87	18.43	4.93	7
CHCO	City Hldgs Co	57.59	1.34	13.29	3.96	7
CMTV	Commnty Bcp Vt	13.90	1.02	12.16	5.47	7
CRWS	Crown Crafts	5.70	1.33	14.03	5.61	7
CVS	Cvs Health Corp	57.83	1.11	16.59	3.46	7
CZFS	Citizens Fin Sv	43.50	0.93	11.77	4.23	7
FCBP	First Choice Bc	13.88	0.61	12.24	7.20	7
FGBI	First Guaranty	12.59	0.68	10.23	5.08	7
FITB	Fifth Third Bk	21.89	0.76	10.27	4.93	7
FMNB	Farmers Natl Bc	11.42	0.97	10.62	3.85	7
GBCI	Glacier Bancorp	33.59	1.45	11.48	3.45	7
GBX	Greenbrier Cos	31.35	0.70	12.48	3.44	7
GNTY	Guaranty Bancsh	25.45	1.08	13.07	3.14	7
HIG	Hartford Fin Sv	37.56	0.80	10.09	3.46	7
IBCP	Indep Bk Mich	13.08	0.81	10.68	6.12	7
JHG	Janus Henderson	25.05	1.04	10.42	5.75	7
KEY	Keycorp New	12.22	0.76	10.56	6.06	7
LTC	Ltc Properties	36.42	1.82	13.33	6.26	7
NL	Nl Inds Inc	4.25	0.63	11.08	3.76	7
PEG	Public Sv Entrp	55.95	1.83	11.18	3.50	7
SYBT	Stock Yards Bcp	34.90	1.88	14.51	3.09	7
XRX	Xerox Holdings	19.05	0.74	15.34	5.25	7

Technical Trading Screen

Ticker	Company	Current Price	Next 3-5 Yr Est EPS Gr rate	5 yr Hist Sales Gr	Div Yield	P/E using 12 mo EPS	Score
AMAT	Appld Matls Inc	58.21	12.66	12.59	1.51	15.61	9.00
TPH	Tri Pointe Grp	18.87	#N/A	8.84	-	9.25	9.00
SCWX	Secureworks Cp	11.50	#N/A	10.87	-	#N/A	7.00
NXRT	Nexpoint Reit	45.24	#N/A	11.21	2.76	19.01	7.00
PRGS	Progress Softwa	37.77	#N/A	2.04	1.75	14.87	7.00
DVA	Davita Inc	84.29	11.93	(6.30)	-	11.76	7.00
GRBK	Green Brick Ptr	16.72	#N/A	28.33	-	10.52	7.00
IBCP	Indep Bk Mich	13.08	#N/A	13.59	6.12	6.41	7.00
VECO	Veeco Instrs-De	11.62	#N/A	1.88	-	61.16	6.00
JBL	Jabil Inc	34.37	12.00	10.28	0.93	59.26	6.00
LMB	Limbach Holdngs	10.48	12.00	3.98	-	18.71	6.00
WSBF	Waterstone Finl	15.93	#N/A	5.85	3.01	8.47	6.00
NGD	New Gold Inc	1.74	5.00	(3.08)	-	#N/A	5.00
OII	Oceaneering Int	3.65	27.98	(8.48)	-	#N/A	5.00
TECH	Bio-Techne Cp	246.90	7.00	12.05	0.52	65.32	5.00
LGND	Ligand Pharma-B	97.15	15.00	17.98	-	52.80	5.00
BLKB	Blackbaud Inc	54.23	7.59	8.46	-	40.17	5.00
DLTH	Duluth Holdings	12.94	#N/A	19.14	-	24.89	5.00
AEIS	Adv Energy Inds	61.72	#N/A	15.53	-	18.59	5.00
ACA	Arcosa Inc	44.84	3.40	#N/A	0.45	17.52	5.00
SXI	Standex Intl Co	62.08	14.00	0.76	1.42	17.20	5.00
MCB	Metropolitan Bk	30.12	#N/A	35.96	-	7.84	5.00
FCX	Freept Mc Cop-B	15.94	#N/A	(0.83)	0.63	#N/A	4.00
SM	Sm Energy Co	1.53	#N/A	4.00	1.31	#N/A	4.00
WGO	Winnebago	53.95	#N/A	24.00	0.89	25.09	4.00
VRTS	Virtus Investmt	142.41	8.68	14.32	1.88	9.55	4.00
STXB	Spirit Of Tx Bc	11.81	#N/A	42.57	-	8.56	4.00
DB	Deutsche Bk Ag	8.50	#N/A	(4.73)	-	#N/A	2.00
FRG	Franchise Group	25.62	#N/A	13.78	3.90	51.24	-
EQH	Equitable Hldgs	18.75	#N/A	#N/A	3.63	3.88	-

Portfolio / Client Update

The rally continued this past week and was doing as we expected until the President announced his contraction of COVID. What does this mean for the election? What happens if the President is incapacitated? Ballots are already out and votes cast, so do those get recast? Does the election get postponed? Or does nothing happen? These are all the questions we went through on Friday morning and is why we added a small market hedge to our portfolios for the next few days. There are just too many unknowns to run portfolios without some downside protection, at least for a few days. Once things begin to clear, we can quickly remove the hedge if needed. It may drag on performance near term, but it helps us maintain some control over the portfolio for now. As noted last week, we used the current oversold condition to "*average*" into some of our stronger positions. We also picked added back to our exposure gold exposures after taking profits previously.

Portfolio Changes

This past week we rebalanced portfolio risks by adding stronger names and removing some of the

"weaker" players for now. Such is also part of our ongoing process to consolidate the portfolio into fewer overall holdings. **Equity Portfolio:**

- *Sold 100% of VIAC on the break of its stop-loss.*
- *+1.0% JNJ & UNH*
- *+1.5% GOOG*
- *+.5% AAPL, MSFT, ADBE, NFLX, CMCSA, T, VZ*
- *+1.0% GDX & IAU*
- *+2.0% SDS (Short-Hedge)*

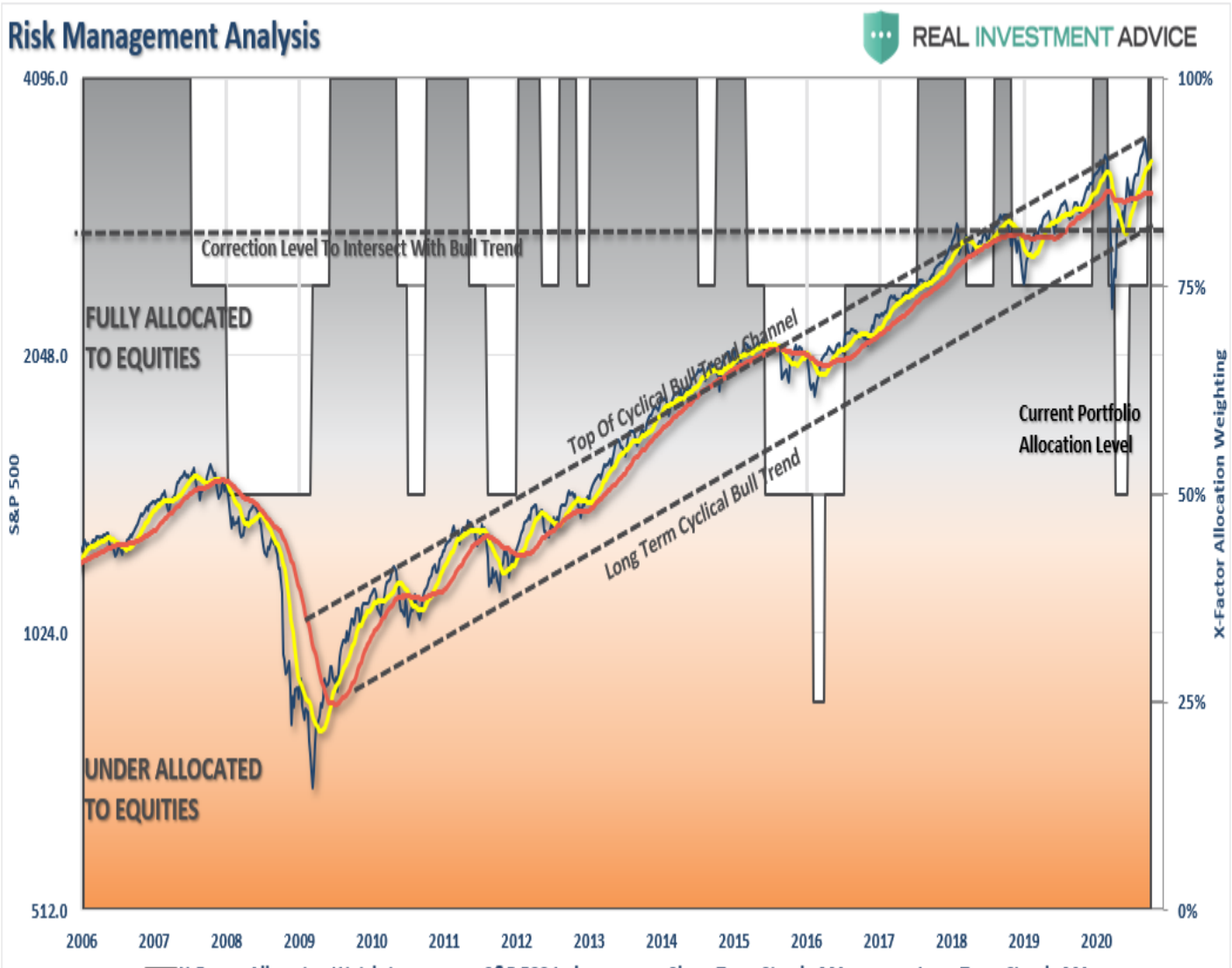
ETF Portfolio:

- *+2% XLK*
- *+2% XLY*
- *+1.0% XLV & XLC*
- *+1.0% GDX & IAU*
- *+2.0% SDS (Short-Hedge)*

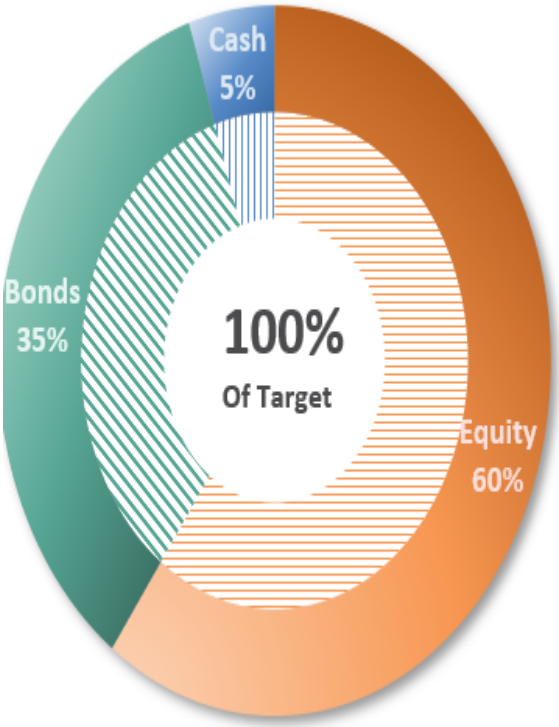
We continue to look for opportunities to abate risk, add return either in appreciation or income, and protect capital. Please don't hesitate to contact us if you have any questions or concerns. *Lance Roberts CIO*

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors



Current Portfolio Weighting



Current 401k Allocation Model

5.00% **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

60.00% **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
30% Large Cap Growth (S&P 500 Index)
5% International
5% Mid-Cap

Portfolio Instructions:

Allocation Level To Equities	Recommendation	When To Take Action
Less Than Target Allocation	Use Weakness To Add	Move Slowly On Weakness
Equal To Target Allocation	Hold Current Exposure	Hold Exposure
Over Target Allocation	Hold Current Exposure	Hold Exposure

Commentary

The rally continued last week as expected, but faltered on Friday and closed below the 50-dma. There is a good bit of resistance overhead, and we are still in the last seasonally weak month of the year, so continue to use weakness to add to exposures accordingly.

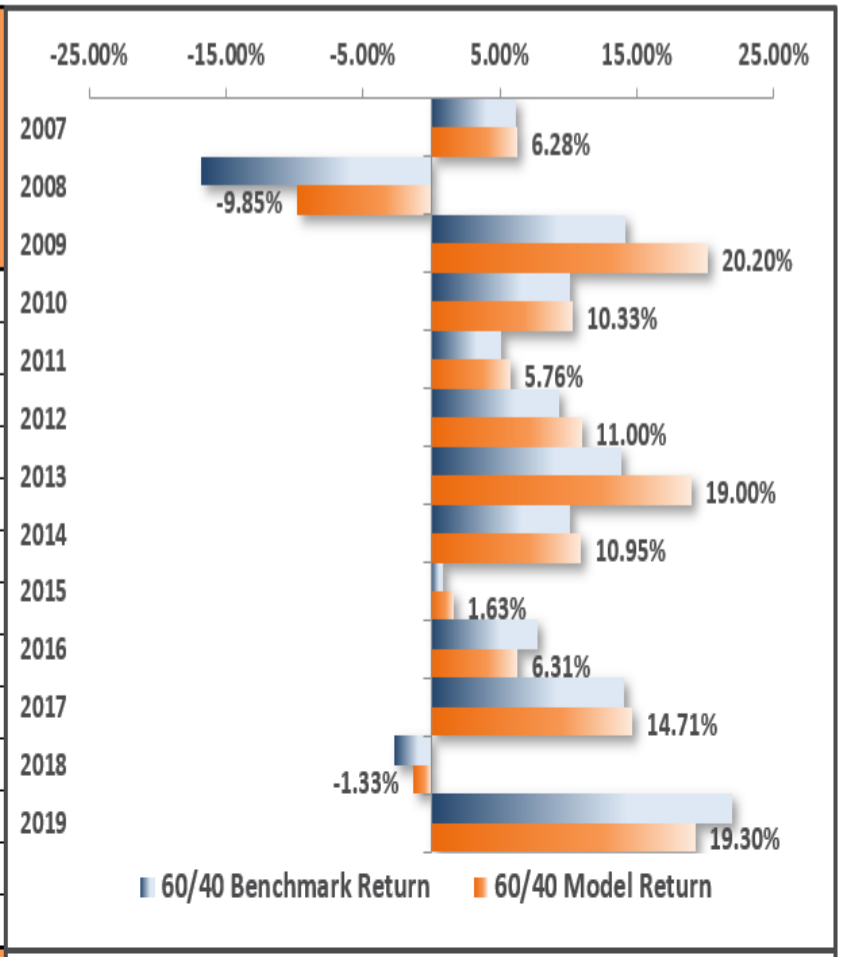
With the markets back on longer-term buy signals, we continue to suggest adding exposure on weakness and opportunistically.

In the longer-term the markets remain extremely overbought, so there is downside risk. Be mindful of the risk you are taking particularly if you are close to retirement.

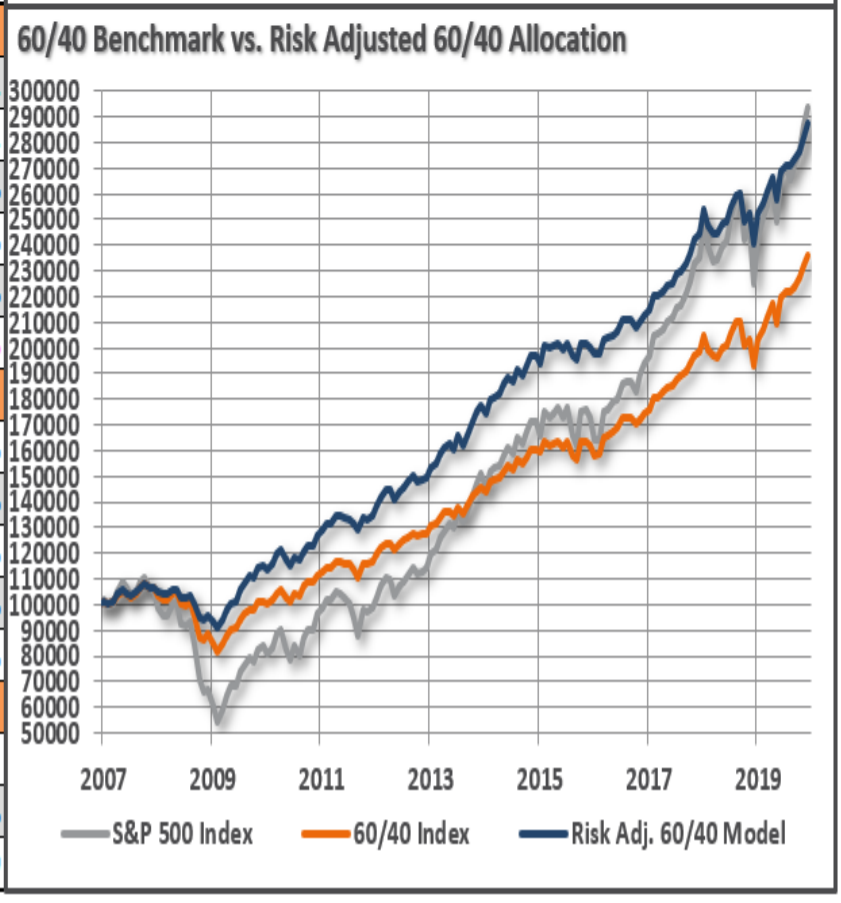
If you need help after reading the alert, do not hesitate to **contact me.**

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 one should not rely on it 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

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