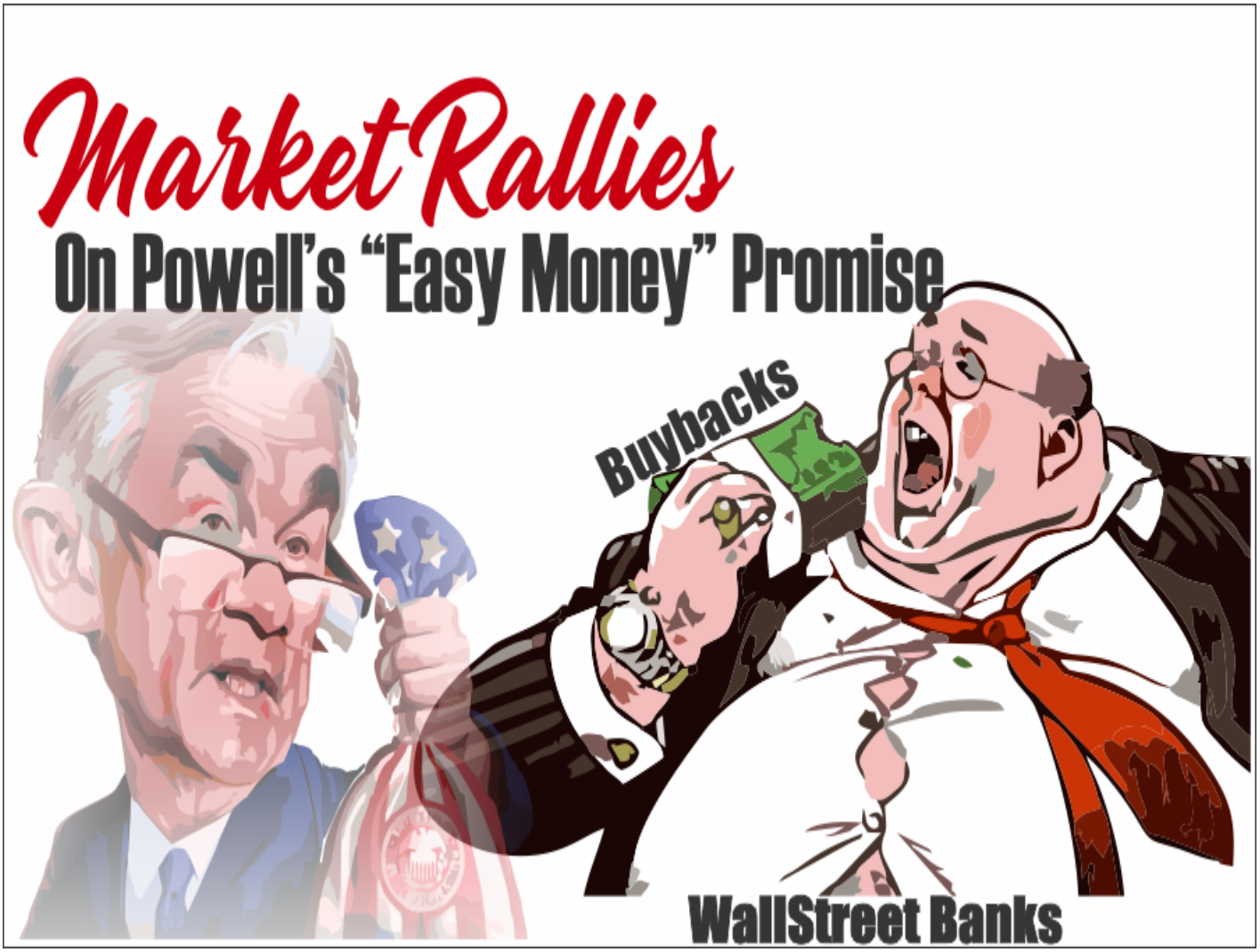


In this issue of "Market Rallies On Powell's Easy Money Promise."

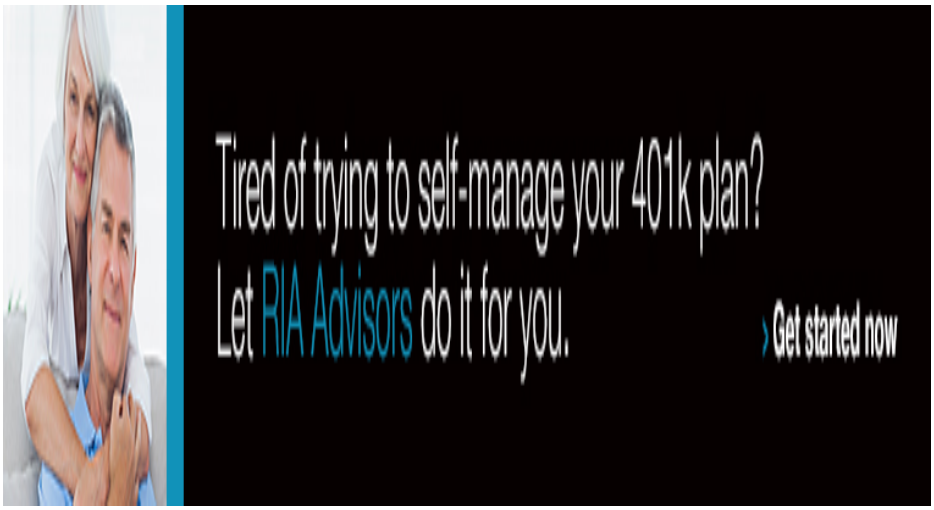
- ***Market Review And Update***
- ***Powell's "Easy Money" Promise***
- ***Stock Buybacks Gone Wild***
- ***Portfolio Positioning***
- ***#MacroView: Could A Transaction Tax Be A Good Thing?***
- ***Sector & Market Analysis***
- ***401k Plan Manager***

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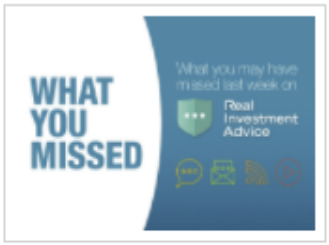
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Catch Up On What You Missed Last Week



#WhatYouMissed On RIA This Week: 3-26-21

Written by Lance Roberts | Mar 26, 2021

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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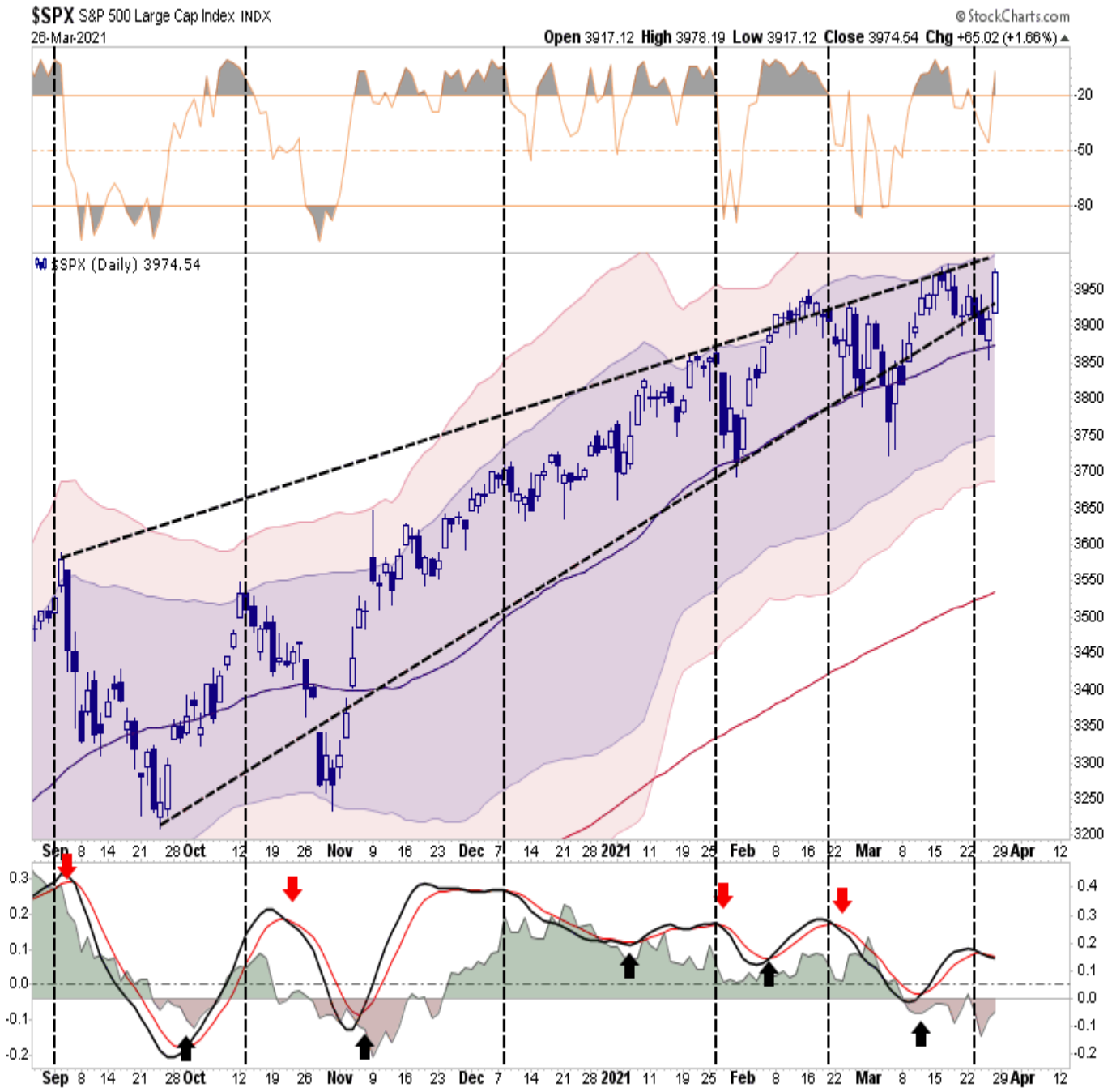
Market Review & Update

I could almost repeat last week's market update.

> *"Over the past week, the market didn't make a lot of headway, as price rises were limited while intraday dips got repeatedly bought. Such is what we would expect with the 'money flow' indicators we have discussed over the last several weeks back on "sell signals."* ***(Importantly, note that Friday's early morning decline held the uptrend***

line from the October lows.)"

This week was much the same story, with stocks slopping around all week. **However, on Friday, a late afternoon buying surge sent the market back to all-time highs.** Again, as noted, stocks haven't made a lot of headway since the February peak despite a lot of volatility. But Powell's promise of continue *"easy money"* certainly didn't hurt.

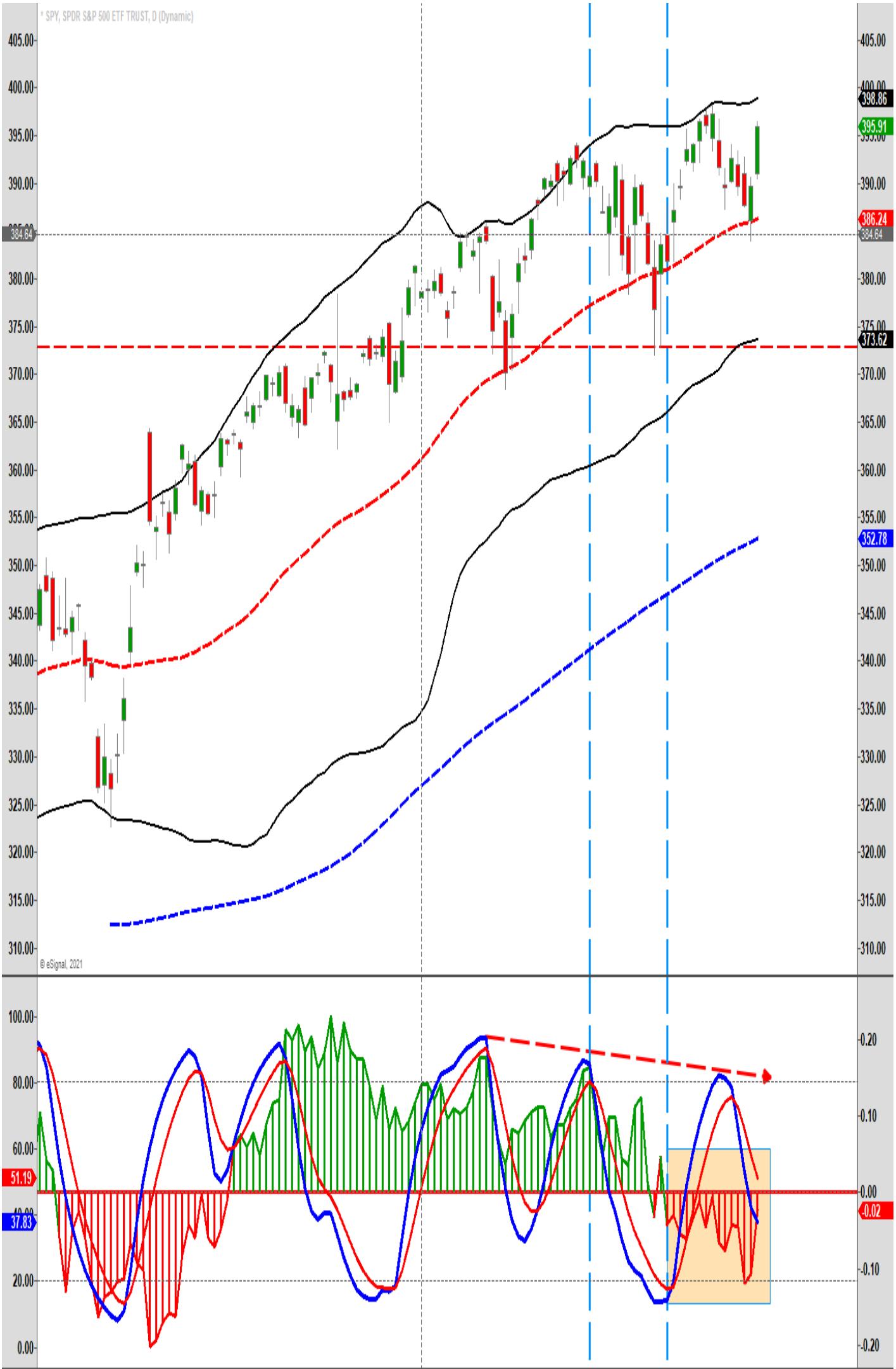


As discussed last week, the *"sell signal"* triggering on a short-term basis coincides with our concerns of quarter-end rebalancing for pension funds. We discuss the confluence of the long- and short-term indicators and the market's potential outcome in Thursday's ***"3-minutes"*** video.

https://www.youtube.com/watch?v=-Y-wvFGskWA

I think we saw a good bit of that rebalancing this past week and are likely close to its conclusion. **As noted, the positive weekly money flows keep downside risk somewhat mitigated for now.** As seen over the last two weeks, **dips continue to be bought despite overall price weakness.** We also see relatively rapid rotations between the defensive and offensive market sectors. As

stated previously, such suggests rallies may remain limited until the subsequent *"buy signals"* are triggered.


* SPY, SPDR S&P 500 ETF TRUST, D (Dynamic)
405.00
400.00
395.00
390.00
384.64
380.00
375.00
370.00
365.00
360.00
355.00
350.00
345.00
340.00
335.00
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325.00
320.00
315.00
310.00
398.86
395.91
386.24
373.62
352.78
© eSignal, 2021
100.00
80.00
60.00
51.19
37.83
20.00
0.00
0.20
0.10
0.00
-0.02
-0.10
-0.20

I suspect we may have some additional quarter-end rebalancing risk early next week. **However, buying on Thursday and Friday next week, as second-quarter positioning gets underway, would not be surprising.**

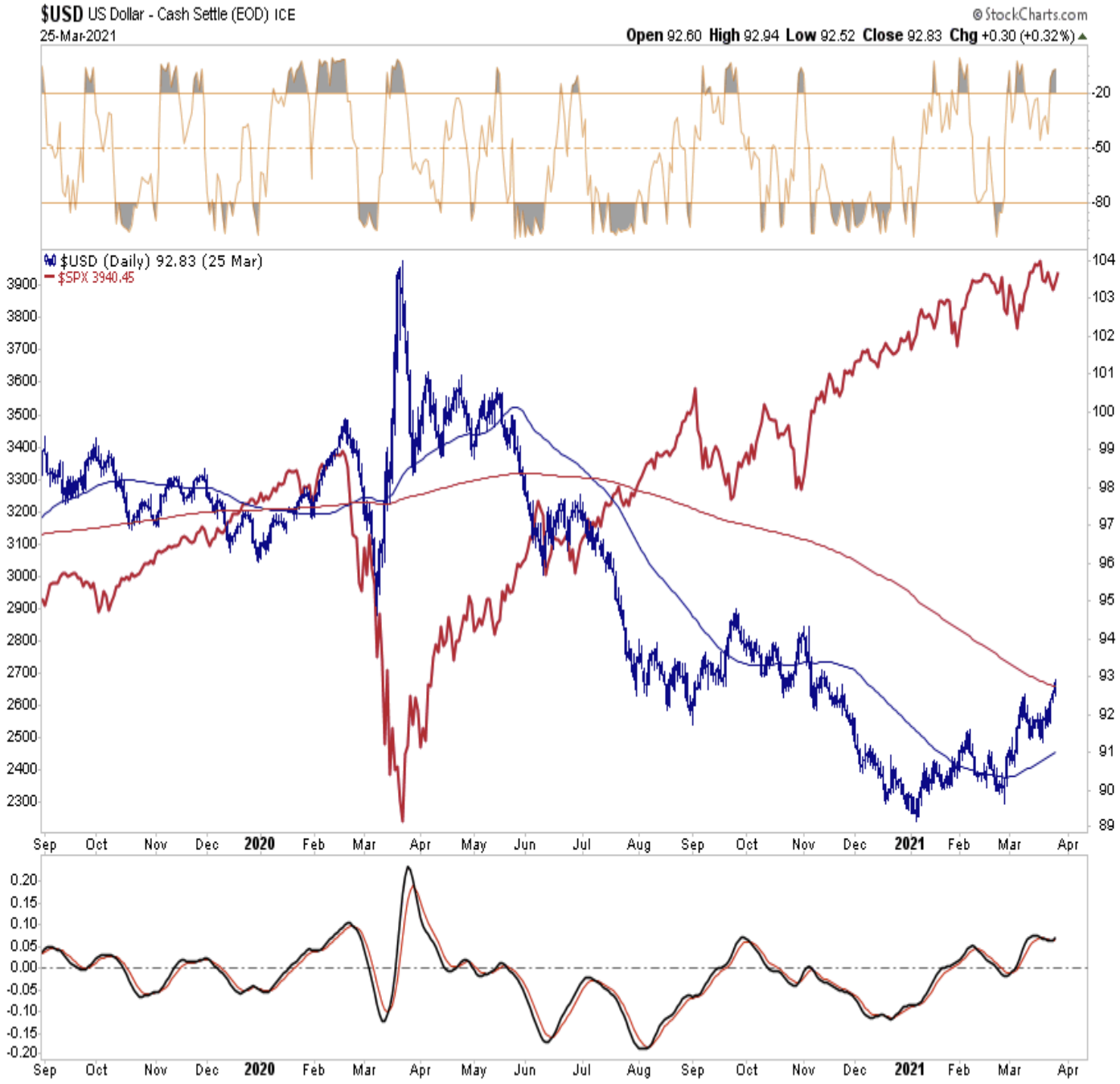
As such, hold positions early next week and look for weaknesses to add to exposures as needed.

The Dollar's Silent Action

Over the last couple of months, we repeatedly discussed the market's ongoing rise, particularly the *"value"* rotation, depended on continuing dollar weakness.

The recent rotation to value has been primarily a function of a *?weaker dollar,?* which boosts commodities. **As noted, if economic growth does strengthen, leading to higher rates will attract foreign inflows into the dollar for a higher yield. Such also undermines corporate profitability, given that roughly 40% of corporate profits are from abroad.**

The dollar has been gaining strength this year on expectations of more robust economic growth. A break above the 200-dma could accelerate buying as shorts begin to cover their positions.



The risk not factored into the current *?value?* trade is the inflation and interest rate increase due to the massive amounts of stimulus. However, that stimulus will quickly flow through the system, leaving consumers tapped by higher inflation and rates eroding disposable income.

In other words, the *?value trade?* could be just a fleeting as the *?economic recovery?* itself.

We are firm believers in *?value investing.?* However, after years of artificial interventions, accounting gimmicks, share buybacks, and massive balance sheet leveraging, there is little *?real?* value in the markets currently.

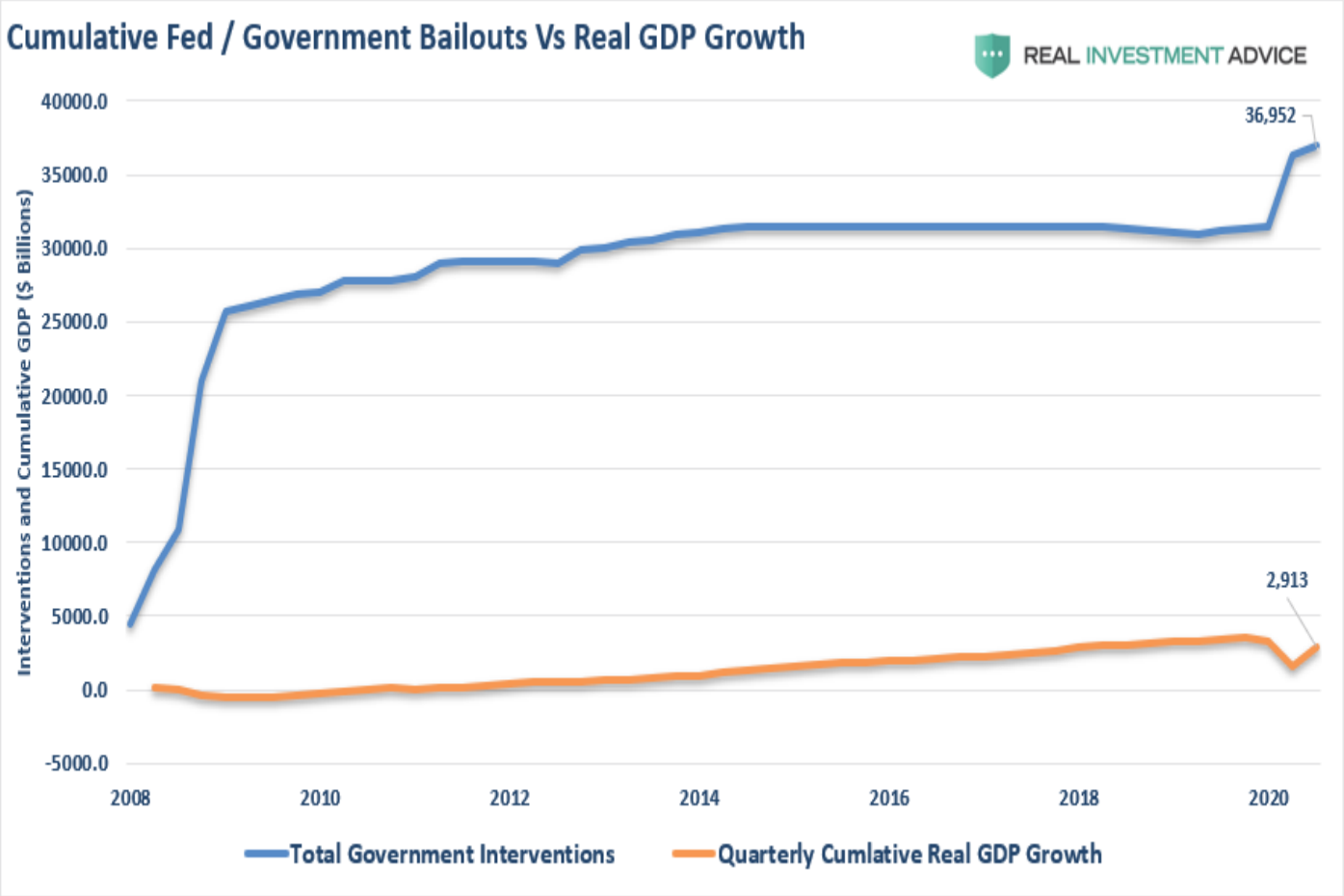
Given that the markets have not been allowed to reset, speculators are now simply chasing the next *?momentum?* trade called *?value.?*

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Powell's "Easy Money" Promise

Last week, we discussed Powell's latest change to monetary policy, or rather, lack thereof.

> *"**The U.S. economy is heading for its strongest growth in nearly 40 years,** the Federal Reserve said on Wednesday, and central bank policymakers are pledging to keep their foot on the gas despite an expected surge of inflation." - Reuters*
>
> *In other words, despite the Fed's mandate of maximum employment and price stability, the Fed is opting to let things run 'hot' for some time to ensure that growth is 'sticky.'"*
> **That stance makes some sense, given the economy still requires massive liquidity support more than a decade after the financial crisis**. As discussed previously in ***'Forever Stimulus:'***
>
> ***'What this equates to is more than $12 of liquidity for each $1 of economic growth.'"***



The question that financial markets wanted answering was just how much of a decline in asset prices the Fed will tolerate before providing reassurance.

It only took a 3% clip off of all-time highs before there was a scramble by Fed members to assuage market concerns. My colleague, ***Mish Shedlock,*** put together an excellent summary:

"Easy Money" Quotes

- *On Thursday, Fed Chair Jerome Powell said even with the economy rebounding faster than expected, any change in monetary policy would happen* ***?very, very gradually over time and with great transparency. Only when the economy has all but fully recovered.?***
- *Fed Vice Chair Richard Clarida said the central bank would stay in the game until the recovery is* ***?well and truly complete.?***
- *Fed Governor Lael Brainard promised* ***?resolute patience.?***
- *San Francisco Fed President Mary Daly said the central bank would show at least ?a healthy dose? of patience.* ***?We are not going to take this punch bowl away.?***
- *Richmond Fed President Thomas Barkin said that* ***the United States might well see economic growth remain above trend for several years given the amount of pent-up demand.*** *Nonetheless,* ***?What matters is what outcomes we get.*** *I will see where we go and am not trying to overthink the date (of any policy change). I am trying to think about the outcome.?*

Not surprisingly, the Fed is very cautious about the financial markets due to its inherent impact on consumer confidence. However, at this juncture, with rates at zero, stimulus checks in the mail, and QE running $120 billion per month, verbal support is all they can do currently.

As Mish concludes:

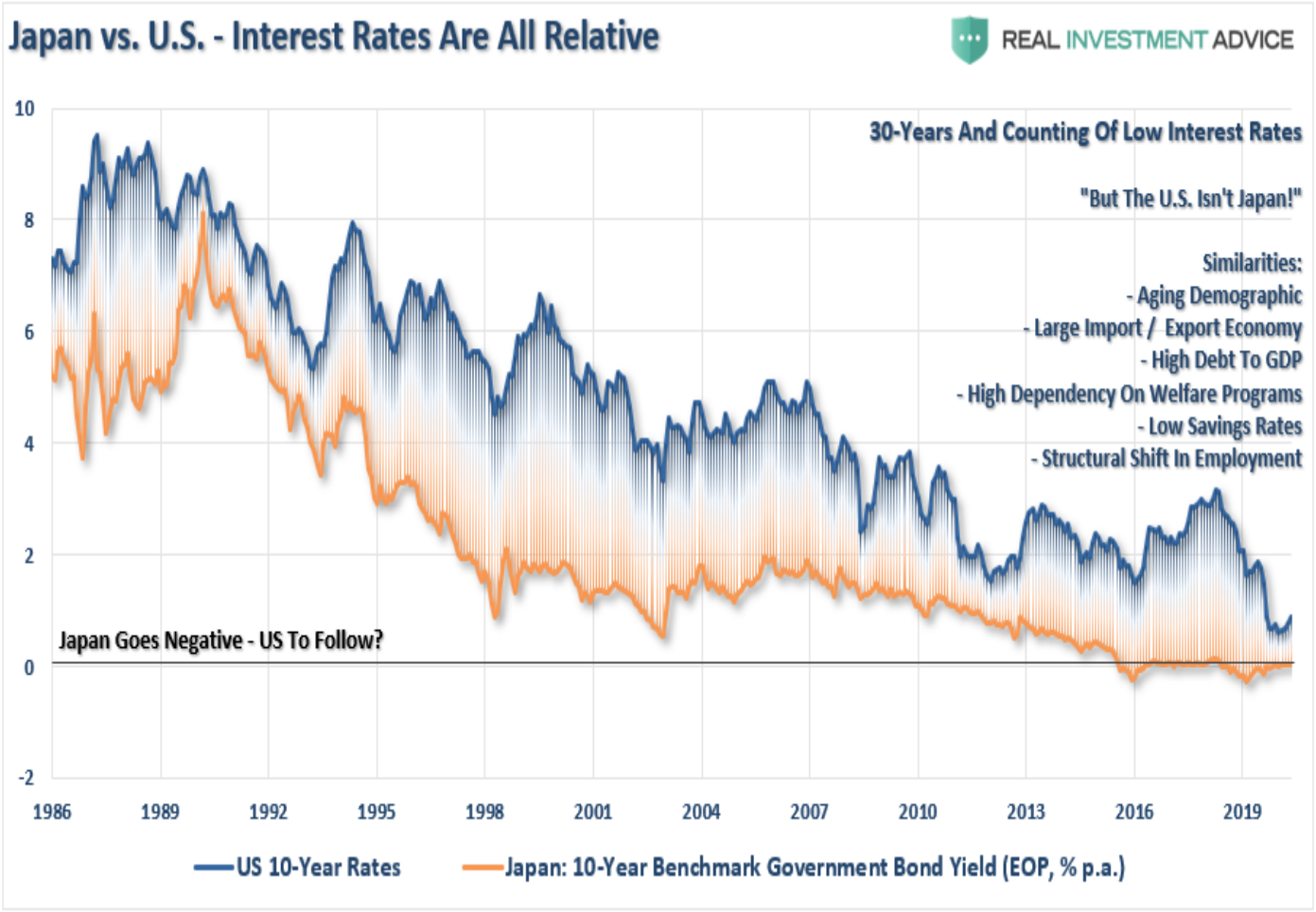
> *"The Fed's 2% inflation target is monetary insanity. Full speed ahead with the stimulus in search of inflation that would be visible to anyone who was not wearing groupthink blinders.* ***Japan has tried what the Fed is doing now for over a decade, with no results."***

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Japanification

He is correct. The Fed's "inflation policy" will likely backfire on them badly. As discussed previously in ***"Japanification:"***

> *?**The U.S., like Japan, is caught in an ongoing ?liquidity trap? where maintaining ultra-low interest rates are the key to sustaining an economic pulse.** The unintended consequence of such actions, as we are witnessing in the U.S. currently, is the battle with deflationary pressures.* ***The lower interest rates go ? the less economic return that can be generated. An ultra-low interest rate environment, contrary to mainstream thought, has a negative impact on making productive investments, and risk begins to outweigh the potential return.?***



As my colleague Doug Kass noted, **Japan is a template of the fragility of global economic growth.**

> ?***The bigger picture takeaway the fact that financial engineering does not help an economy, it probably hurts it.*** *If it helped, after mega-doses of the stuff in every imaginable form, the Japanese economy would be humming.* ***But the Japanese economy is doing the opposite. Japan tried to substitute monetary policy for sound fiscal and economic policy. And the result is terrible.?***

I agree with Doug, as does the data, that while financial engineering props up asset prices, it does nothing for an economy over the medium to longer-term. **It actually has negative consequences.**

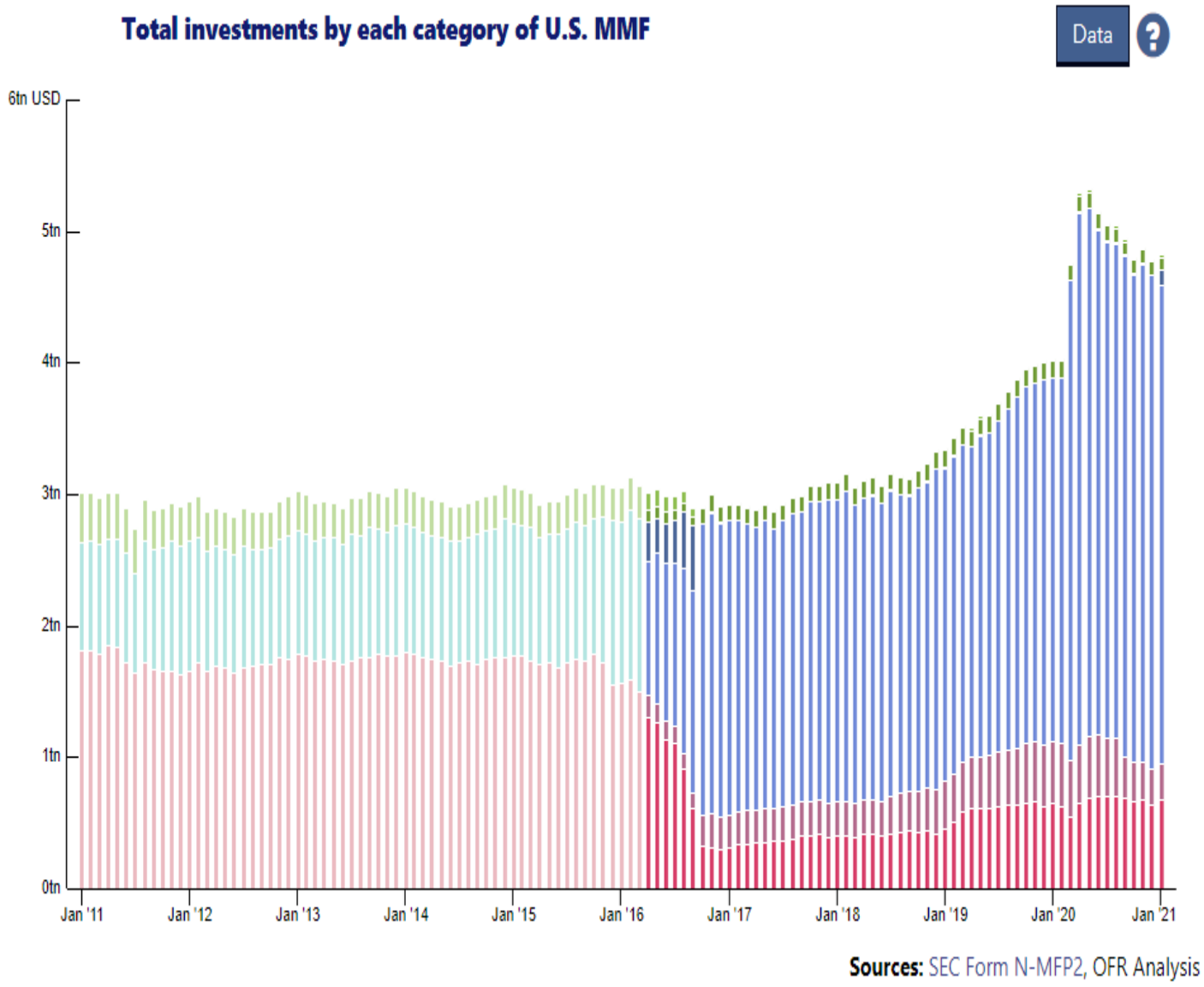


Stock Buybacks Gone Wild

Two weeks ago, I addressed the *"Money On The Sidelines"* myth stating:

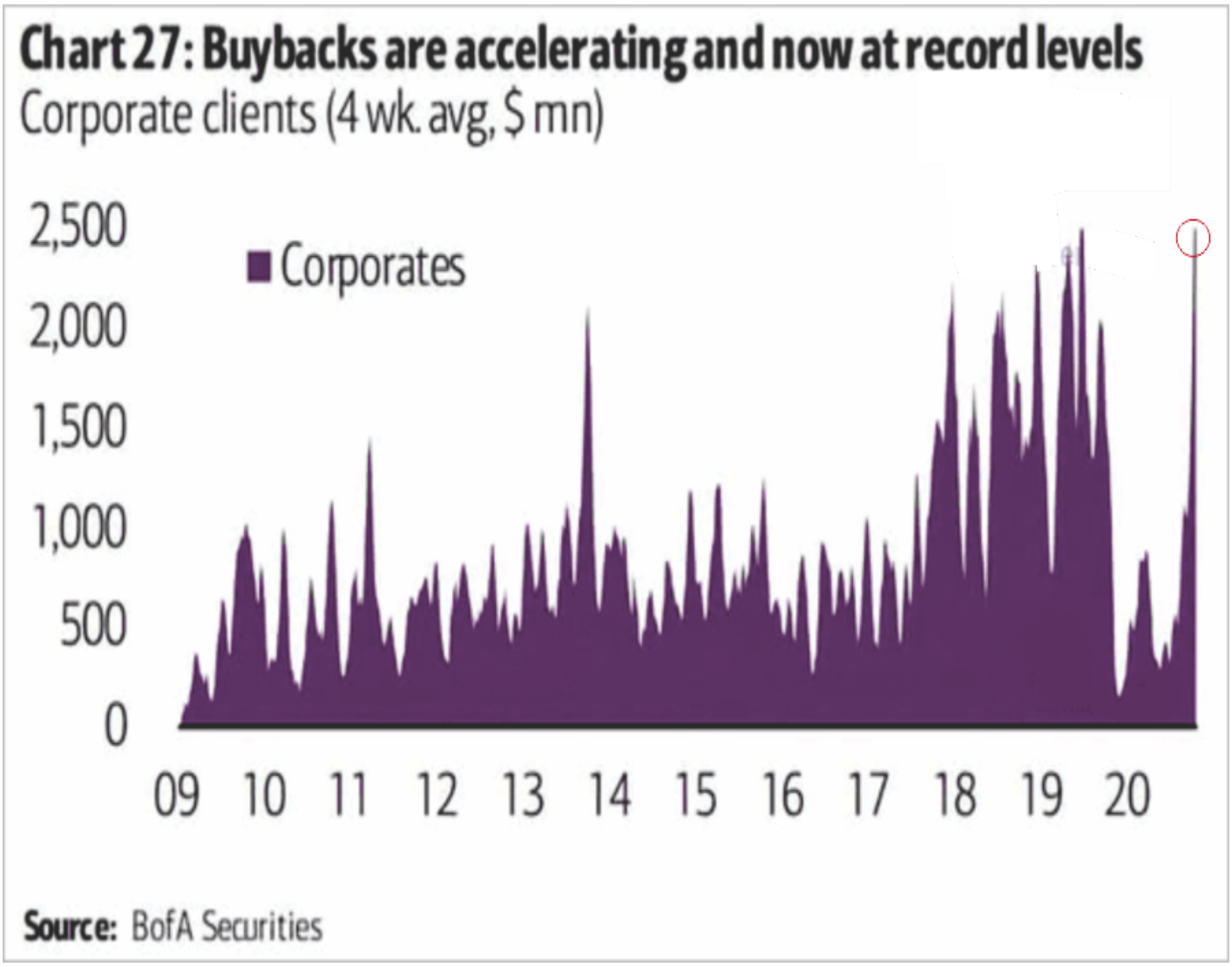
> ***"No, this is not the 'cash on the sidelines' argument which I debunked previously.*** *Following the pandemic, corporations drew down credit lines and hoarded cash due to economic uncertainty. Now, with expectations of recovery, corporations are*

once again beginning to deploy that cash."

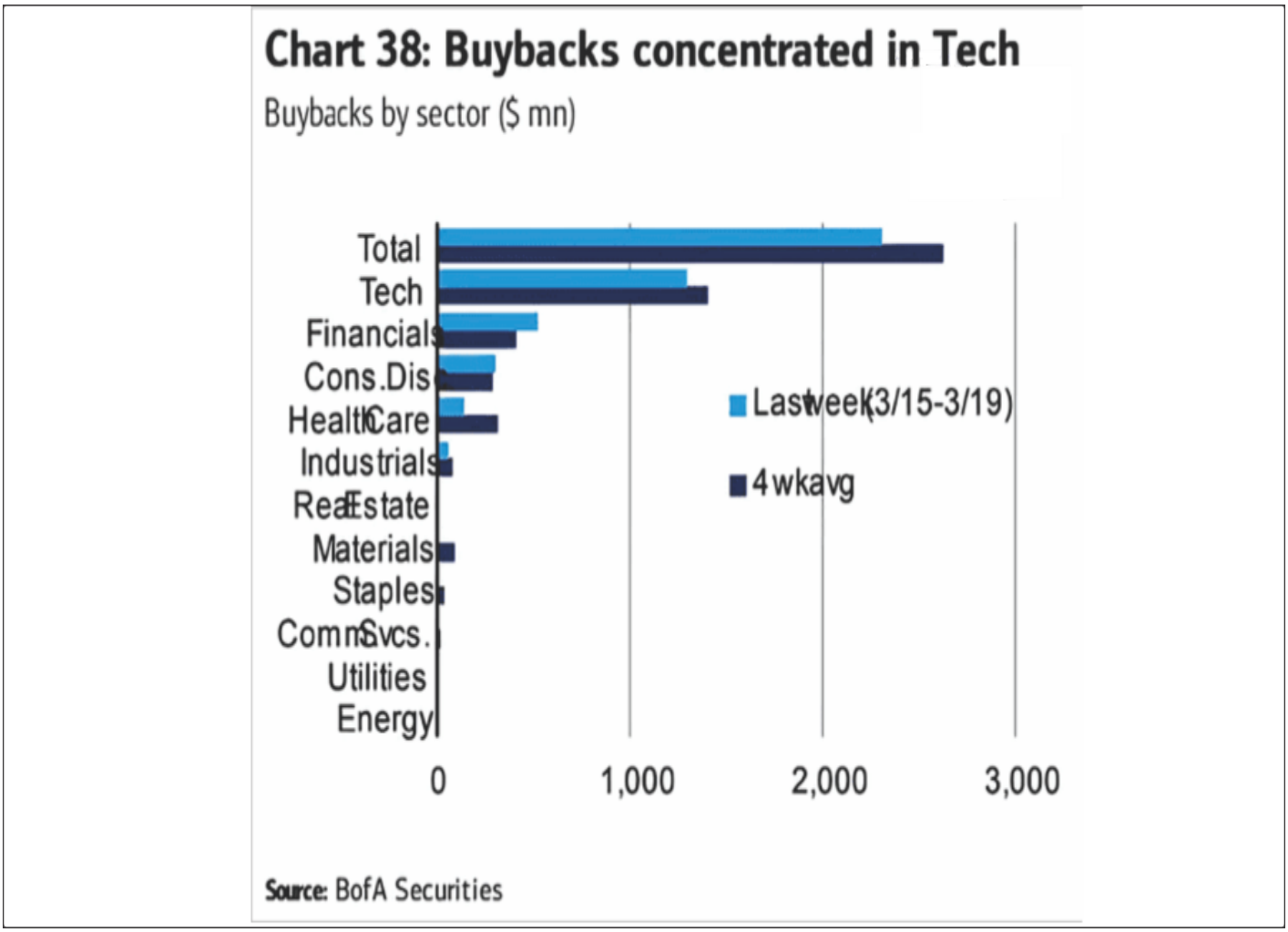


As I stated then, while the mainstream media hope is all this cash will be flowing back into the economy, the reality is that it will primarily go to stock buybacks. Again, while not necessarily bad, it is the *?least best?* use of the company?s cash. **Instead of expanding production, increasing sales, acquiring competitors, or making capital investments, the money gets used for a one-time boost to earnings on a per-share basis.**

This past week, share buybacks hit a new record.



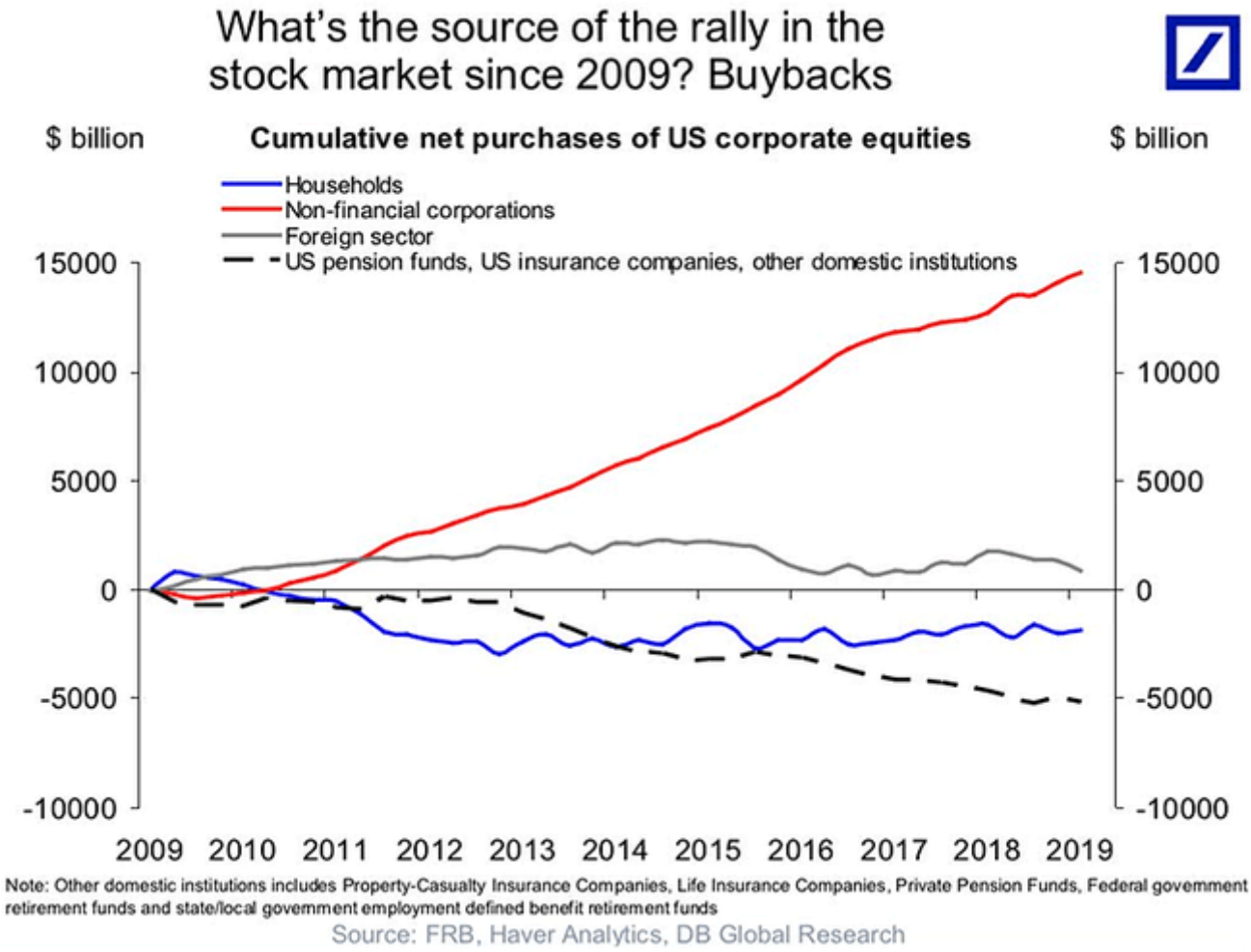
Not surprisingly, the most prominent players in buybacks are the ones that need to subsidize their earnings the most to beat estimates; technology and financials.



Net Purchases

While share buybacks primarily are for the benefit of corporate insiders *"cashing out,"* it does have the effect of supporting asset prices as well. ***As I discussed in 2019,*** when stocks were hitting records amid record share repurchases:

> *"What is clear, is that **the misuse, and abuse, of share buybacks to manipulate earnings and reward insiders has become problematic**. As John Authers recently pointed out:*
>
> > *'For much of the last decade, companies buying their own shares **have accounted for all net purchases.** The total amount of stock bought back by companies since the 2008 crisis even exceeds the Federal Reserve?s spending on buying bonds over the same period as part of quantitative easing. Both pushed up asset prices.'*
>
> *In other words, between the Federal Reserve injecting a massive amount of liquidity into the financial markets, and corporations buying back their own shares, **there have been effectively no other real buyers in the market."***



I bring this up for two reasons:

1. ***The buybacks ARE SUPPORTIVE of asset prices in the short-term; and,***
2. ***We just had to "bailout" these companies because they couldn't weather an economic downturn as they have spent years piling into debt and buying back shares.***

While Janet Yellen is okay with the buybacks, as she thinks the banks are healthier now, why doesn't anyone ask the question:

> *"If banks are so healthy, why do they need a constant monetary stimulus to remain in business and a bailout every time the economy declines?"*

It doesn't sound very healthy to me.

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Portfolio Update

As noted above, with the "money flow" indicators now negative on both a daily and weekly basis, we are currently holding much higher levels of cash. Last week, we also added a bit of

"duration" to our bond portfolio by stepping into TLT to add a hedge against a potential pickup in volatility short-term.

With the market now about 1/3rd of the way through the correction cycle, there is limited downside risk currently as we remain in the year's seasonally strong period. However, such doesn't mean we can't have a lot of volatility in the meantime.

We remain wary of **the rise in yields, and ultimately the dollar, which remains the key to the current market cycle.** As discussed last week, the *"value trade,"* which had become excessively overbought, corrected in earnest this past week. While we may see some *"bottom-fishing"* in the short-term, there is still substantially more room for a correction given the extension from long-term means.



Our more significant concern over the next quarter is the extremely high net positioning of institutions in the markets. Historically, when *"everyone is in the pool,"* outcomes have not been all that pleasant. While we continue to remain allocated toward equity risk currently, we do it with a constant eye on the risk. We suspect that we could see a fairly substantial correction during the summer.

Figure 1: Discretionary positioning is near all-time highs but in line with very strong growth



*Wtd avg Z-score across indicators; weights based on explanatory power in regression w/equity perf
Source : EPFR, CFTC, Haver, Bloomberg Finance LP, Deutsche Bank Asset Allocation

But that is a story we will discuss when we get there.

Continue to manage risk until we start to see *"buy signals"* across our indicators once again.

The MacroView



#MacroView: Could A "Transaction Tax" Be A Good Thing?

Written by Lance Roberts | Mar 26, 2021

Could a "financial transaction tax" be a good thing for investors if it slows down the frequency of trading and reduces predatory Hedge fund practices?

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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

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet



SPY RISK INFO

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Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	40.86%	51.60%	5.91%	(88.54%)
Max Drawdown	(35.63%)	(10.86%)	(5.65%)	(47.92%)
Sharpe	0.94	2.90	1.86	(0.36)
Sortino	1.00	4.07	2.61	(0.36)
Volatility	25.41	22.14	16.10	(0.27)
Daily VaR-5%	(17.02)	30.53	4.01	(0.87)
Mnthly VaR-5%	(6.00)	(20.63)	(20.63)	0.00

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.87%	1.88%	1.36%	(38.06%)	2.19%	1.38%	(37.78%)	(0.81%)
P/E Ratio	18.07	16.63	28.84	42.34%	2888%	1605%	(0.1%)	79.66%
P/S Ratio	3.83	3.71	5.08	26.90%	4.88	3.21	4.05%	58.10%
P/B Ratio	4.96	5.04	6.70	24.82%	6.32	3.94	5.99%	69.99%
ROE	22.00%	21.65%	20.40%	(6.12%)	22.00%	17.60%	(7.26%)	15.94%
ROA	4.31%	4.23%	3.67%	(15.03%)	4.31%	3.50%	(14.72%)	4.85%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	3,127.6	3,014.1	(3.63%)
Sales	72,245	69,371	(3.98%)
SPS	23.1	23.0	(0.36%)
Earnings	11,451	10,440	(8.83%)
EPS TTM	4.6	4.1	(11.78%)
Dividend	1.6	1.5	(4.35%)

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	60.87%	2.87%	1.91	(191.70)	121.96	(181.43)	(257.2%)	(0.4%)	4.3%	-0.53%	1.62	26.84
Materials	71.97%	2.68%	1.22	27.95	26.40	14.08	5.9%	9.0%	1.7%	3.63%	4.18	19.21
Industrials	50.10%	8.76%	1.19	49.82	45.79	14.67	8.8%	5.4%	1.4%	2.03%	3.84	23.58
Discretionary	81.62%	12.39%	1.35	59.02	58.60	21.02	0.7%	18.7%	0.6%	1.70%	4.93	35.03
Staples	27.28%	6.11%	0.63	22.73	22.83	17.65	(0.5%)	29.6%	2.5%	4.47%	4.31	19.60
Health Care	32.31%	13.03%	0.76	18.55	19.47	15.11	(4.7%)	29.1%	1.7%	5.49%	7.60	15.86
Financials	57.29%	11.31%	1.32	19.23	18.48	10.52	4.1%	7.4%	1.7%	5.20%	5.73	14.40
Technology	62.14%	26.55%	1.10	32.88	32.81	15.63	0.2%	58.1%	0.9%	3.12%	5.25	26.99
Telecom	59.68%	11.09%	0.97	28.58	28.18	17.61	1.4%	15.6%	0.6%	3.48%	7.34	22.95
Utilities	14.29%	2.67%	0.41	19.87	22.09	16.35	(10.1%)	10.8%	3.2%	5.09%	3.44	17.14
Real Estate	30.21%	2.47%	0.96	23.15	21.53	16.94	7.5%	6.9%	2.8%	4.40%	4.24	20.65

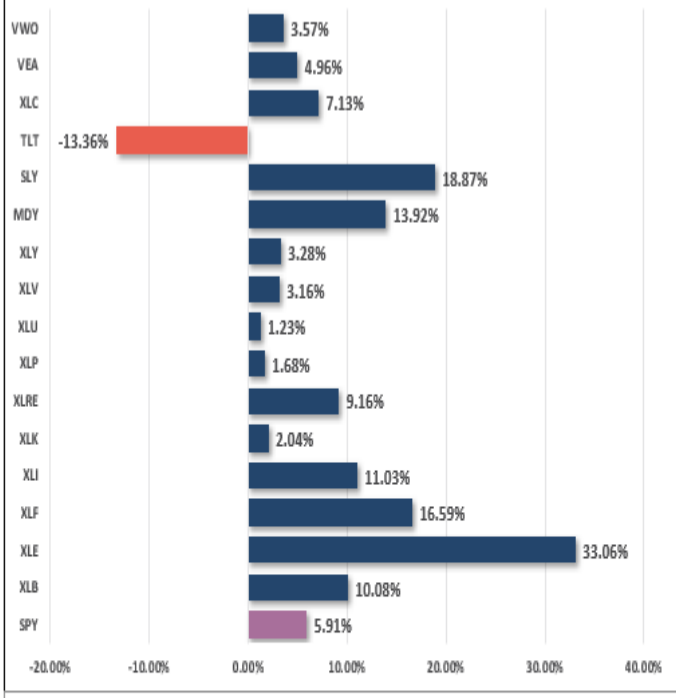
Momentum Analysis

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	395.98	5.40%	386.80	14	2.37%	354.64	195	11.66%	9.07%	(0.54%)	69.37%	Buy
Mid Cap	478.38	8.42%	458.63	50	4.31%	389.74	131	22.74%	17.67%	(2.27%)	106.19%	Buy
Small Cap	94.55	9.75%	91.63	2	3.19%	73.55	128	28.55%	24.57%	(5.18%)	118.71%	Buy

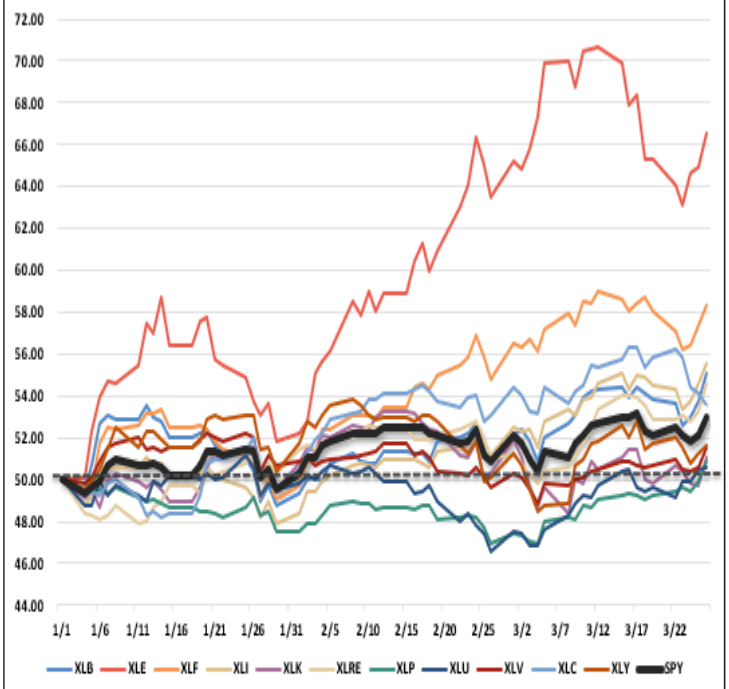
Performance Analysis

Year To Date Performance

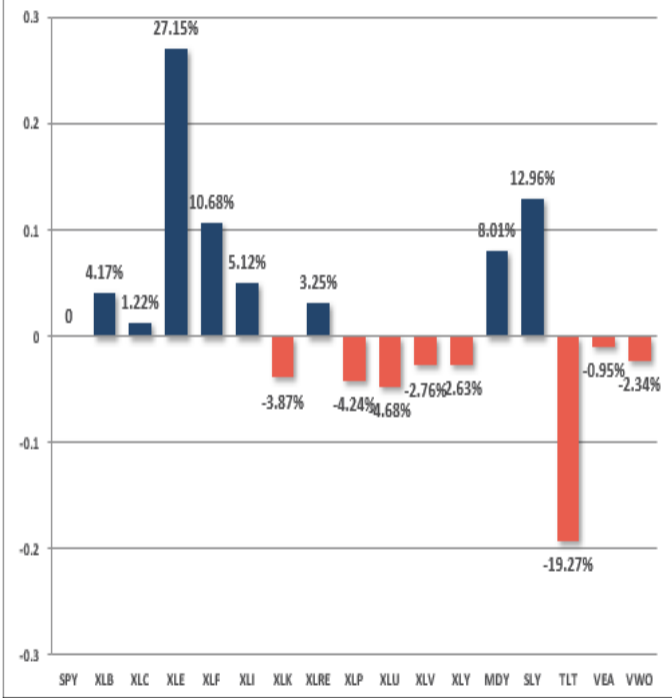
ZACKS REAL INVESTMENT ADVICE



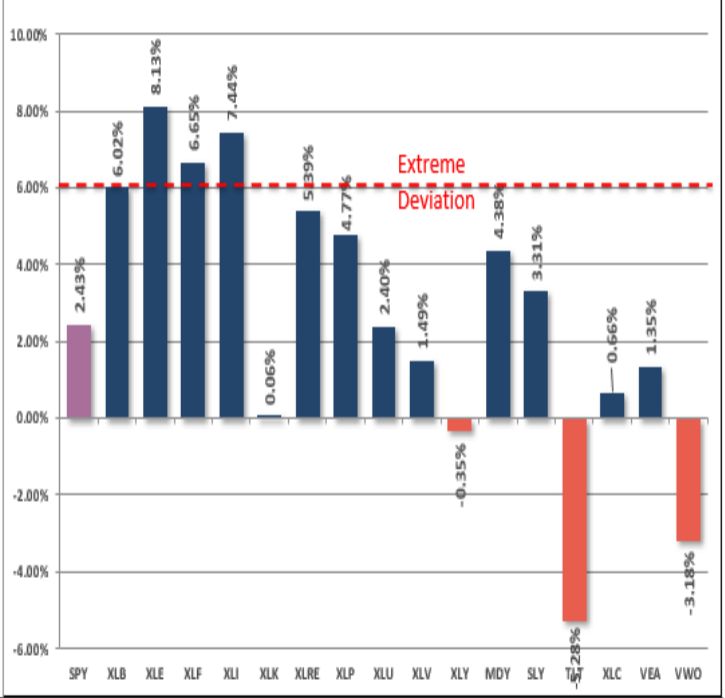
YTD Price - S&P Sectors Recalibrated To $50/share



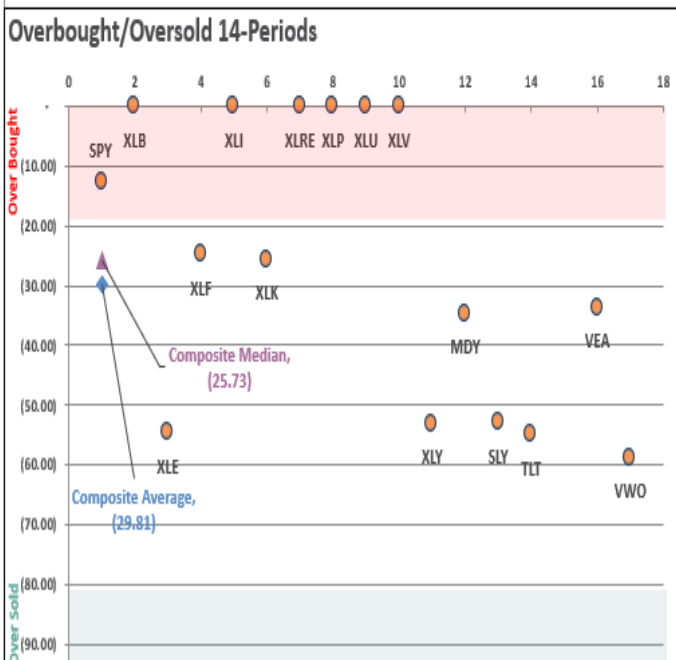
Year To Date Performance Relative To S&P 500



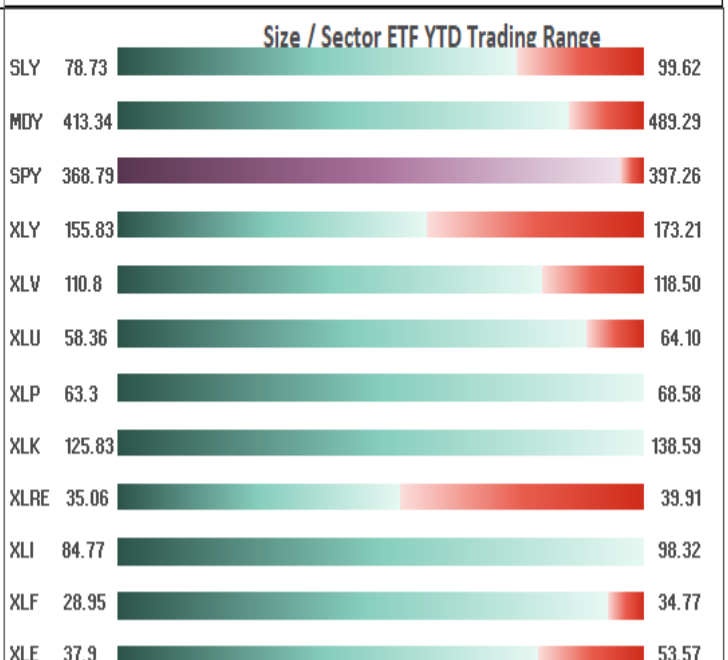
Price Deviation From 50-Day Moving Average



Overbought/Oversold 14-Periods

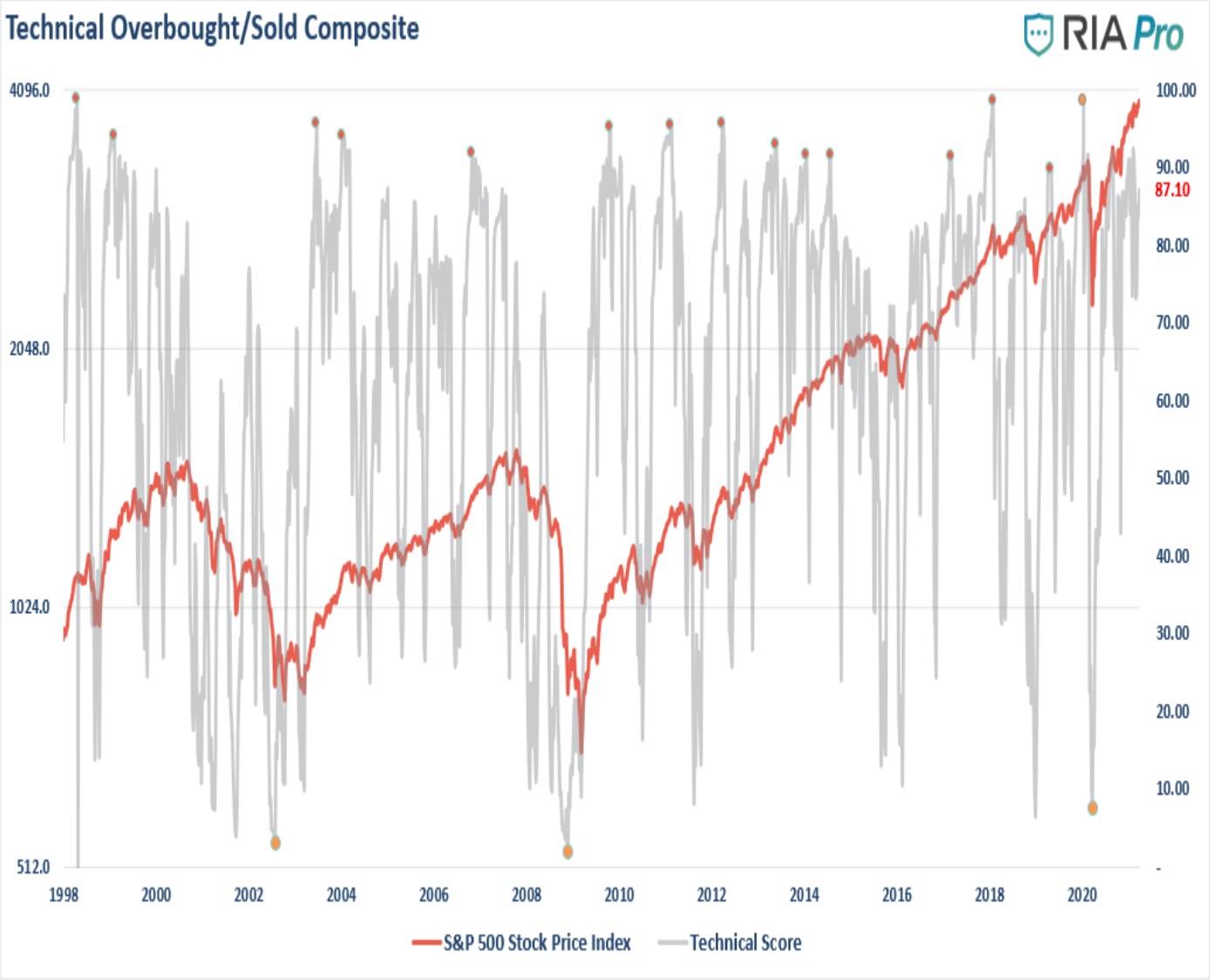


Size / Sector ETF YTD Trading Range



Technical Composite

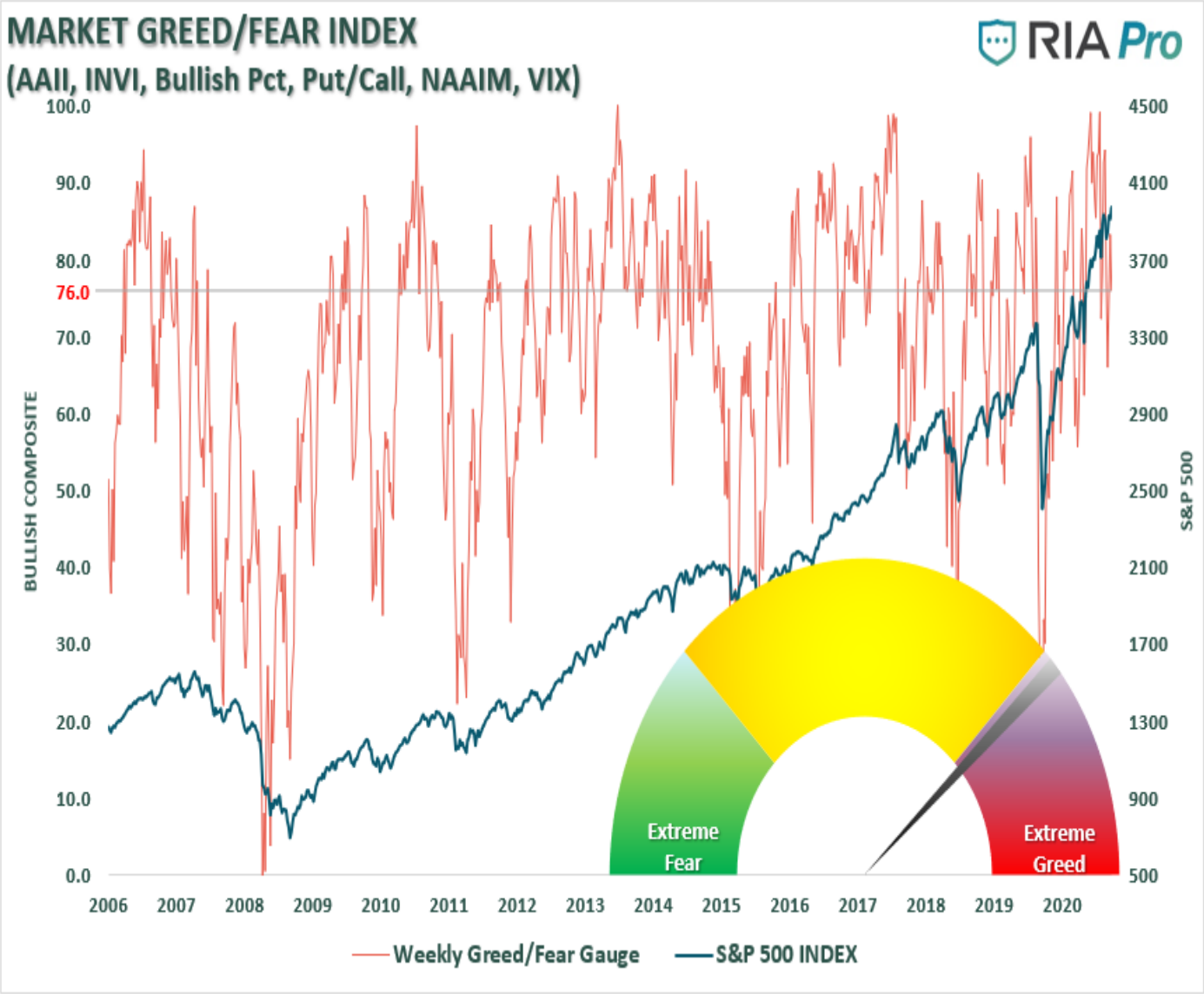
The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" is oversold. ***The current reading is 87.10 out of a possible 100.***



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.

NOTE: The Fear/Greed Index measures risk from 0-100. It is a rarity that it reaches levels above 90. **The *current reading is 76.3 out of a possible 100.***



Sector Model Analysis & Risk Ranges

How To Read This Table

- *The table compares each sector and market to the S&P 500 index on relative performance.*
- *"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.*
- *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	397.45	1.34	4.11	5.88	14.21	56.33	385.66	362.72	381.77	0.99	391.31	372.23		3%	10%	BULLISH
XLB	SPDR-MATLS SELS	79.69	0.83	4.24	4.21	5.61	23.72	74.99	69.63	73.55	1.05	76.16	70.94		6%	14%	BULLISH
XLC	SPDR-COMM SV SS	72.29	(5.48)	(3.10)	1.25	5.62	12.73	70.70	65.46	71.57	0.99	74.07	69.07		2%	10%	BULLISH
XLE	SPDR-EGY SELS	50.43	0.48	0.63	27.18	49.58	21.68	45.27	38.66	48.15	1.77	50.21	46.09		11%	30%	BULLISH
XLF	SPDR-FINL SELS	34.37	(0.90)	2.27	10.71	22.02	7.26	31.78	28.10	32.31	1.19	33.50	31.12		8%	22%	BULLISH
XLK	SPDR-TECH SELS	132.67	1.03	(2.59)	(3.84)	(3.81)	12.48	131.90	124.08	130.69	1.06	135.34	126.04		1%	7%	BULLISH
XLI	SPDR-INDU SELS	98.32	0.58	4.40	5.16	7.61	10.63	90.93	84.94	90.61	1.19	93.95	87.27		8%	16%	BULLISH
XLP	SPDR-CONS STPL	68.58	1.98	4.23	(4.20)	(9.89)	(28.17)	65.73	65.47	63.30	0.62	65.27	61.33		4%	5%	BULLISH
XLRE	SPDR-RE SELS	39.91	1.95	2.78	3.29	(6.14)	(28.45)	37.40	36.60	37.34	0.69	38.53	36.15		7%	9%	BULLISH
XLU	SPDR-UTIL SELS	63.47	0.70	4.65	(4.65)	(14.22)	(42.34)	61.98	61.86	58.36	0.35	60.02	56.70		2%	3%	BULLISH
XLV	SPDR-HLTH CR	117.02	0.36	(0.19)	(2.72)	(6.21)	(18.64)	115.20	110.57	112.61	0.75	116.27	108.95		2%	6%	BULLISH
XLY	SPDR-CONS DISCR	166.06	(1.57)	(1.06)	(2.59)	(5.95)	13.03	165.94	156.39	161.15	1.13	167.00	155.30		0%	6%	BULLISH
XTN	SPDR-SP TRANSPT	87.28	(2.10)	3.25	16.42	26.93	44.18	78.27	69.00	81.30	1.41	84.48	78.12		12%	26%	BULLISH
SDY	SPDR-SP DIV ETF	119.03	0.86	3.32	6.49	7.74	(4.72)	111.25	103.50	110.80	0.92	114.59	107.01		7%	15%	BULLISH
RSP	INVS-SP5 EQ ETF	142.17	(0.19)	1.83	5.59	10.98	14.10	133.95	122.23	134.20	1.12	139.06	129.34		6%	16%	BULLISH
SLY	SPDR-SP6 SC	94.55	(3.39)	(0.31)	12.99	29.22	42.60	89.59	76.07	91.09	1.28	94.53	87.65		6%	24%	BULLISH
MDY	SPDR-SP MC 400	478.38	(0.79)	1.07	8.05	17.28	28.42	452.19	400.50	454.85	1.20	471.67	438.03		6%	19%	BULLISH
EEM	ISHARS-EMG MKT	53.27	(2.84)	(4.96)	(2.78)	2.03	3.40	54.60	49.57	53.73	0.85	55.53	51.93		-2%	7%	BULLISH
EFA	ISHARS-EAFE	76.60	(1.12)	(0.61)	(0.89)	2.42	(11.42)	75.10	69.90	74.01	0.85	76.49	71.53		2%	10%	BULLISH
IAU	ISHARS-GOLD TR	16.50	(2.00)	(3.74)	(14.87)	(24.58)	(49.53)	17.21	17.80	16.44	0.07	16.86	16.02		-4%	-7%	BEARISH
GDX	VANECK-GOLD MNR	32.77	(4.64)	1.16	(14.90)	(33.85)	(21.86)	34.31	37.18	31.13	0.65	32.11	30.15		-4%	-12%	BEARISH
UUP	INVS-DB US$ BU	24.98	(0.53)	(2.23)	(2.82)	(14.84)	(62.88)	24.48	24.81	24.52	(0.13)	25.10	23.94		2%	1%	BEARISH
BOND	PIMCO-TOT RETRN	109.79	(0.85)	(5.30)	(8.81)	(15.93)	(53.43)	111.58	112.06	111.11	0.09	113.98	108.24		-2%	-2%	BEARISH
TLT	ISHARS-20+YTB	136.66	0.08	(8.62)	(19.23)	(28.84)	(74.84)	146.49	155.68	143.12	(0.25)	146.34	139.90		-7%	-12%	BEARISH
BNDX	VANGD-TTL INT B	57.29	(0.97)	(3.90)	(8.03)	(15.84)	(54.82)	57.81	58.08	57.17	0.03	58.62	55.72		-1%	-1%	BEARISH
HYG	ISHARS-IBX HYCB	86.92	(0.34)	(3.55)	(6.31)	(11.89)	(43.49)	87.03	85.85	86.44	0.37	88.92	83.96		0%	1%	BULLISH

RIA Pro

REAL INVESTMENT ADVICE

Weekly Stock Screens

Currently, there are four 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	119.72	13.79	10.63	0.74	26.08	9.00
ADBE	Adobe Systems	450.99	19.00	22.79	0.00	48.70	8.00
ETSY	Etsy Inc	196.20	25.25	38.42	0.00	74.60	8.00
MSFT	Microsoft Corp	232.34	11.93	14.71	0.96	34.63	8.00
QRVO	Qorvo Inc	172.26	13.99	5.10	0.00	21.72	8.00
STZ	Constellatn Brd	231.16	7.41	4.95	1.30	22.64	8.00
ZTS	Zoetis Inc	152.88	12.22	7.76	0.65	39.71	8.00

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

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
CMTV	Commnty Bcp Vt	17.10	1.23	12.46	4.44	8
GSBD	Goldman Sac Bdc	19.92	1.25	11.49	9.04	8
IBCP	Indep Bk Mich	22.92	1.29	11.45	3.66	8
LOMA	Loma Negra Cia	6.04	1.12	21.42	4.21	8
UGI	Ugi Corp	41.84	1.96	11.25	3.15	8
BSRR	Sierra Bancorp	26.87	1.20	10.46	3.13	7
CZFS	Citizens Fin Sv	58.48	1.18	11.97	3.18	7
EARN	Ellington Resid	12.39	0.92	10.63	9.04	7
FLIC	First Long Is	20.16	1.18	10.79	3.77	7
FNCB	Fncb Bancorp	7.55	0.98	14.50	3.18	7
FNF	Fnf Group	40.19	1.41	14.68	3.58	7
KEY	Keycorp New	19.89	1.21	10.46	3.72	7
MCBC	Macatawa Bank	9.98	1.42	12.40	3.21	7
NHTC	Natural Hlth Tr	6.68	1.13	40.24	11.98	7
PEG	Public Sv Entrp	59.42	1.88	11.14	3.43	7
TCPC	Blackrk Tcp Cap	13.83	1.04	12.06	8.68	7
TRTN	Triton Intl Ltd	55.38	1.89	12.30	4.12	7
UBFO	United Sec Bcsh	8.25	1.19	10.40	5.33	7
VST	Vistra Corp	17.05	1.00	176.31	3.52	7
WTBA	West Bancorp	24.06	1.77	14.73	3.66	7

NEW! Fundamental 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	119.72	13.79	10.63	0.74	26.08	9.00
ETSY	Etsy Inc	196.20	25.25	38.42	-	74.60	8.00
ADBE	Adobe Systems	450.99	19.00	22.79	-	48.70	8.00
QRVO	Qorvo Inc	172.26	13.99	5.10	-	21.72	8.00
ZTS	Zoetis Inc	152.88	12.22	7.76	0.65	39.71	8.00
MSFT	Microsoft Corp	232.34	11.93	14.71	0.96	34.63	8.00
CTLT	Catalent Inc	102.22	19.65	13.46	-	46.04	7.00
DE	Deere & Co	366.80	19.20	9.18	0.83	33.53	7.00
IDXX	Idexx Labs Inc	472.11	15.81	10.70	-	70.36	7.00
ABT	Abbott Labs	119.05	14.14	12.22	1.51	32.62	7.00
IT	Gartner Inc -A	181.80	13.50	16.25	-	37.10	7.00
NVDA	Nvidia Corp	501.41	12.55	21.54	0.13	61.60	7.00
ADI	Analog Devices	149.90	12.25	12.75	1.84	28.18	7.00
KLAC	Kla Corp	299.41	11.56	17.27	1.20	26.10	7.00
CDNS	Cadence Design	125.67	11.10	9.07	-	59.56	7.00
AAPL	Apple Inc	120.59	11.00	6.15	0.68	32.66	7.00
FBHS	Fortune Brd H&S	90.73	9.82	4.82	1.15	21.65	7.00
KSU	Kansas City Sou	252.70	15.00	4.25	0.85	36.31	6.00
MTD	Mettler-Toledo	1,117.18	13.79	5.39	-	43.69	6.00
CDW	Cdw Corp	159.62	13.10	7.62	1.00	24.33	6.00
HCA	Hca Holdings	187.35	11.70	5.46	1.02	18.96	6.00
DOV	Dover Corp	137.70	11.50	(0.41)	1.44	24.29	6.00
CBRE	Cbre Group Inc	76.43	11.00	19.94	-	23.30	6.00
COO	Cooper Cos	382.42	11.00	7.27	0.02	37.79	6.00
EL	Estee Lauder	286.16	10.67	7.40	0.74	65.48	6.00
SPGI	S&P Global Inc	351.30	10.00	6.37	0.88	30.05	6.00
MXIM	Maxim Intg Pdts	88.42	10.00	0.31	-	33.49	6.00
TT	Trane Tech Plc	163.93	13.14	2.13	1.44	36.84	5.00
CAT	Caterpillar Inc	224.25	12.00	4.79	1.84	36.82	5.00
TROW	T Rowe Price	172.07	11.83	9.16	2.51	17.92	4.00

Aggressive Growth Strategy

Ticker	Company	Current Price	Next 3-5 Yr Est EPS Gr rate	5 yr Hist Sales Gr	Div Yield	P/E F1/ LT EPS Gr	Score
ADBE	Adobe Systems	450.99	19.00	22.79	-	2.37	8
ETSY	Etsy Inc	196.20	25.25	38.42	-	2.80	8
MSFT	Microsoft Corp	232.34	11.93	14.71	0.96	2.64	8
ZTS	Zoetis Inc	152.88	12.22	7.76	0.65	2.84	8
CDNS	Cadence Design	125.67	11.10	9.07	-	5.28	7
IDXX	Idexx Labs Inc	472.11	15.81	10.70	-	3.93	7
NVDA	Nvidia Corp	501.41	12.55	21.54	0.13	3.84	7
TXN	Texas Instrs	178.49	9.33	1.83	2.29	2.83	7
SPGI	S&P Global Inc	351.30	10.00	6.37	0.88	2.84	6
MSCI	Msci Inc-A	412.05	#N/A	10.22	0.76	#N/A	6
MXIM	Maxim Intg Pdts	88.42	10.00	0.31	-	2.96	6
RGEN	Repligen	180.37	38.00	35.83	-	2.48	6
VICR	Vicor Corp	82.95	#N/A	9.06	-	#N/A	6
CELH	Celsius Holding	44.95	#N/A	52.49	-	#N/A	5
EXR	Extra Space Stg	131.00	4.95	9.71	3.05	4.39	5
IBKR	Interactive Brk	73.82	#N/A	15.21	0.54	#N/A	5
CGNX	Cognex Corp	79.01	#N/A	11.47	0.30	#N/A	4
SRC	Spirit Realty	42.84	4.05	(8.73)	5.84	3.64	4
ALGN	Align Tech Inc	517.87	19.81	25.56	-	3.35	3
PEN	Penumbra Inc	270.43	28.84	24.64	-	11.53	2

Portfolio / Client Update

Repeating from last week, the market *"indigestion"* continues. However, the difference is our indicators have flipped to *"sell signals."* As such, we have seen more downward pressure on prices, and the rotation between sectors and markets has been vicious. Such does not make our job very easy.

The good news is that markets continue to hold critical support, and investors keep stepping in to buy beaten-down stocks. We have raised cash across portfolios and will use the opportunity over the next two weeks to add to positions that have pulled back and held support successfully.

Our longer-term indicators are still negative, which continue to apply downside pressure and limit upside. We should be getting to a point in the next two weeks where we will see those indicators begin to reverse back to a *"buy signal."* That reversal will carry markets into early summer, where we think a more significant correction awaits as earnings and economic growth hit their peaks for this cycle.

As noted below, with yields having reached our target *"buy"* zone, we did add some additional exposures back to portfolios to further hedge equity risk. We used some of our cash holdings to pick up bond exposures which should help offset equity volatility in the near term.

As always, we continue watching our indicators closely. However, support at the 50-dma continues to hold, which negates some downside risk in the short-term.

Portfolio Changes

During the past week, we made minor changes to portfolios. We post all trades in real-time at ***RIAPRO.NET***.

*** Equity / ETF Portfolio ? Trade Update ***

> *"While our S&P indicator is still in sell mode, energy and financials, are starting to turn up. They went into sell mode well before the broader market so are coming out sooner. As such, we added back to energy and financials." - 03/26/21*

Equity Model:

- *Added .5% to KMI, XOM, and FANG*
- *Added .5% to GS and JPM*

ETF Model

- *Added 1% to XLE and XLF*

> *"With our models pointing to potential short-term turbulence in the equity markets and potential upside in bond prices (as discussed in Three Minutes on Markets), we increased our bond portfolio duration and equity hedge by swapping IEF for TLT. We also put extra cash to work by adding to our short-term bond position (SHY). We will redeploy SHY into stocks and or bonds when needed." - 03/24/21*

Equity and Sector Model:

- *Sold 6% IEF and Bought 6% TLT*
- *Added 7% SHY*

> *"With our daily ?money flow? indicators very close to turning negative, with money flows negative as well, we are reducing equity risk across all models slightly." - 03/23/21*

Equity Model:

- *Selling 100% of MRO to reduce our overweight energy holdings.*
- *Selling 100% of ZM, reducing our exposure to communications and a sector laggard.*
- *Initiating a 1% position in PG to add to our Consumer Staples (defensive) holdings.*

ETF Model:

- *Reduce XLE to 2% of the portfolio*

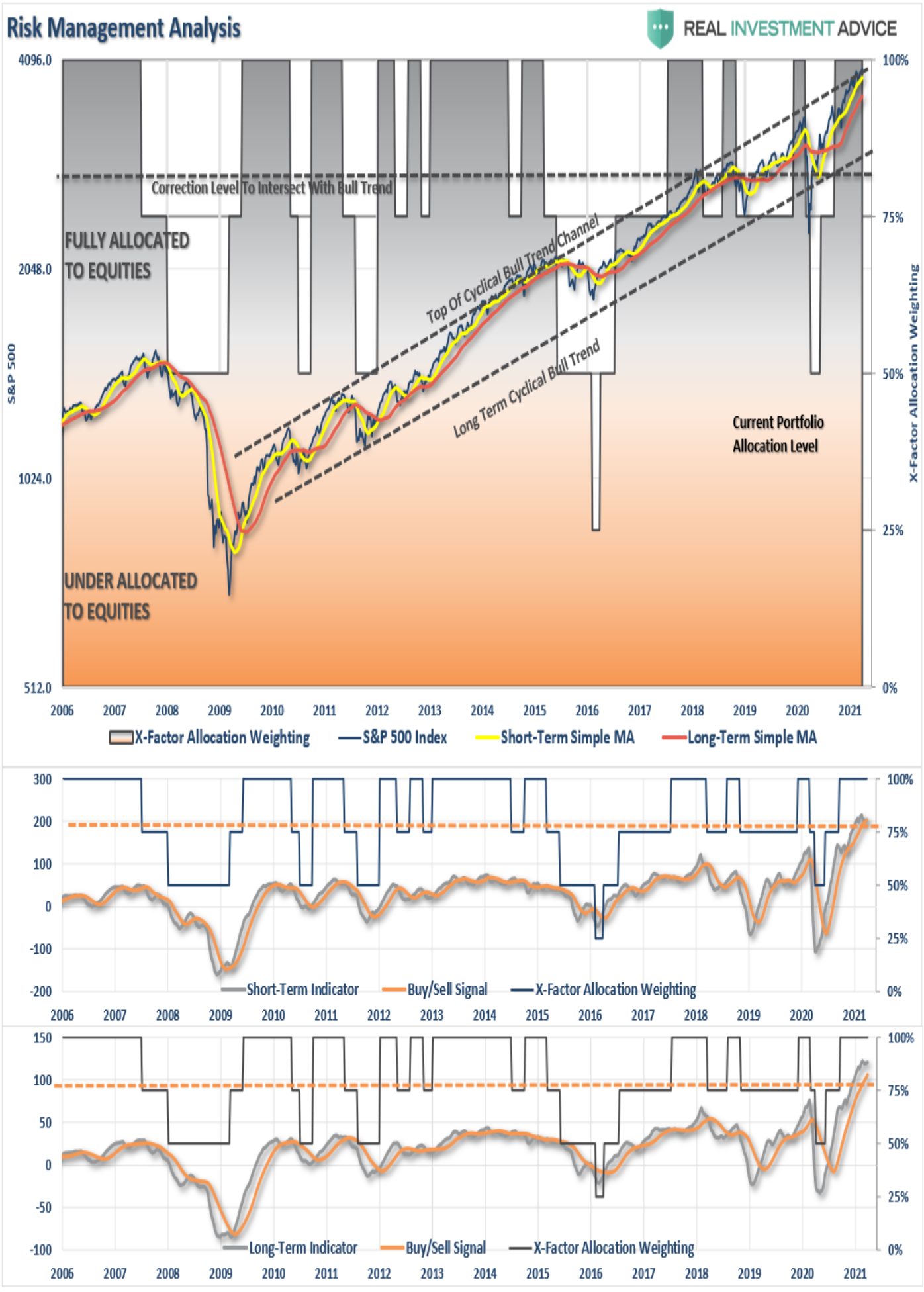
As always, our short-term concern remains the protection of your portfolio. We have now shifted our focus from the election back to the economic recovery and where we go from here.

Lance Roberts

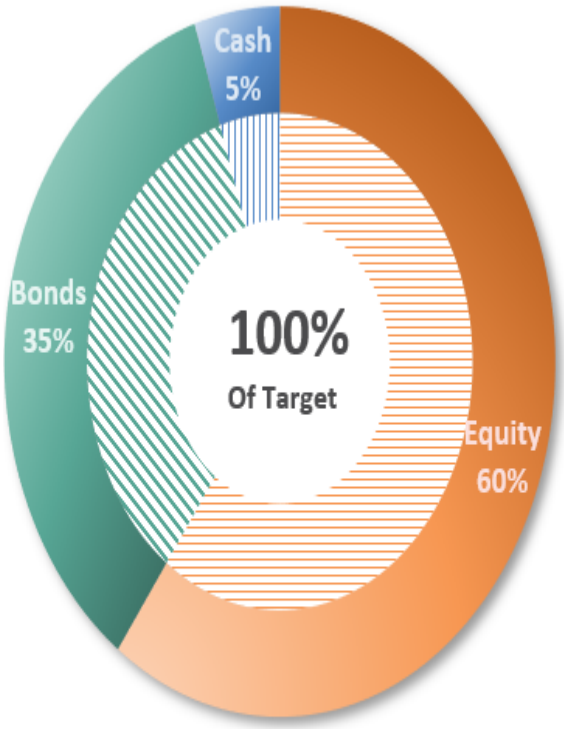
CIO

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors


Risk Management Analysis
REAL INVESTMENT ADVICE
4096.0
2048.0
1024.0
512.0
S&P 500
100%
75%
50%
25%
0%
X-Factor Allocation Weighting
Correction Level To Intersect With Bull Trend
FULLY ALLOCATED
TO EQUITIES
Top Of Cyclical Bull Trend Channel
Long Term Cyclical Bull Trend
Current Portfolio
Allocation Level
UNDER ALLOCATED
TO EQUITIES
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
X-Factor Allocation Weighting
S&P 500 Index
Short-Term Simple MA
Long-Term Simple MA
300
200
100
0
-100
-200
Short-Term Indicator
Buy/Sell Signal
X-Factor Allocation Weighting
150
100
50
0
-50
-100
Long-Term Indicator
Buy/Sell Signal
X-Factor Allocation Weighting

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	Hold Current Exposure	Hold Exposure
Equal To Target Allocation	Hold Current Exposure	Hold Exposure
Over Target Allocation	Hold Current Exposure	Hold Exposure

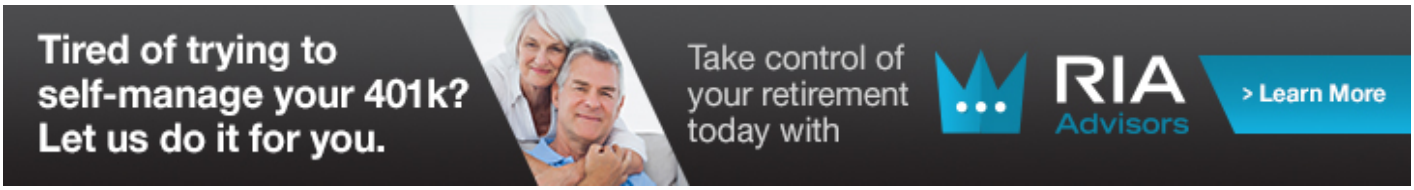
Commentary

After rallying off the 50-dma last week, the market rallied back towards all-time highs on Friday. With quarter-end pension fund rebalancing complete, the market is likely clear for a rally into early April.

If you need to increase equity exposure, the opportunity to do so is available. But as always monitor the risk you take as we are very extended into the current market cycle. If you are close to retirement, think about being more conservative as you don't have the time to make up substantial losses if they occur.

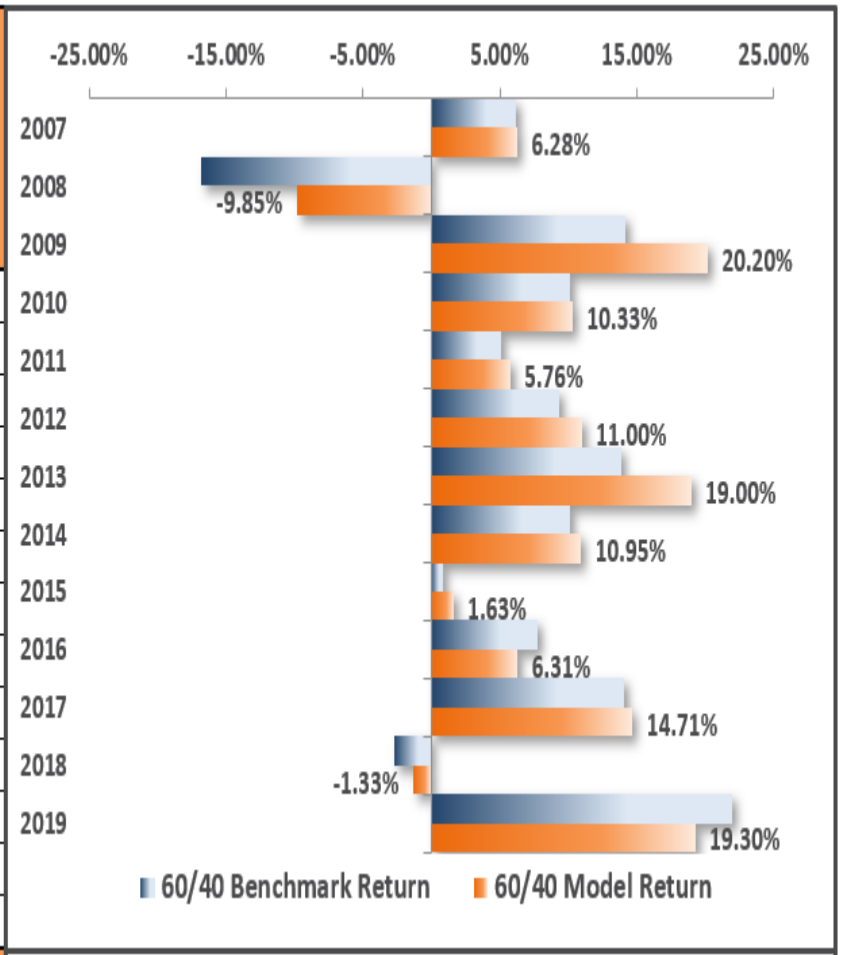
Maintain exposures, but rebalance positions that have grown to outsize weightings in portfolio. International and small-cap stocks have had decent corrections, but remain extended from long-term means. You can add weight to these sectors, but keep a watch on the dollar. A stronger dollar will undermine these areas specifically.

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

