In this 10-01-21 issue of" 'As Expected, Stocks Snap 6-Month Win Streak."

- *Stocks Snap 6-Month Win Streak, What's Next?*
- *Why We Are Buying Bonds*
- *Not Out Of The Woods Just Yet*
- *Portfolio Positioning*
- *Sector & Market Analysis*
- *401k Plan Manager*

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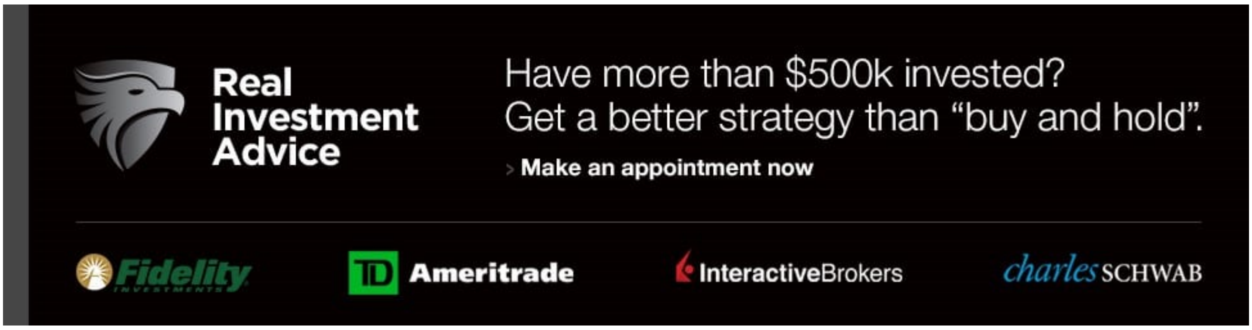


Stocks Snap The 6-Month Win Streak. What Happens Next?

In mid-August, we discussed the ***rarity of markets churning out 6-positive months*** of returns in a row. To wit:

> *"Using Dr. Robert Shiller?s long-term nominal stock market data, I calculated positive monthly returns and then highlighted periods of 6-positive market months or more."*

Importantly, all periods of consecutive performance eventually end. *(While such seems obvious, it is something investors tend to forget about during long bullish stretches.)*

The data shows that nearly 40% of the time, two months of positive performance gets followed by at least one month of negative performance. Since 1871, there have only been 12-occurrences of 6-month or greater stretches of positive returns before a negative month appeared.

For September, the S&P turned in a negative 4.89% return. While the decline was average for a market correction period, the financial media made it sound like the market just *"crashed."*


Dow drops 500 points on September's final day, S&P 500 suffers worst month since March 2020

PUBLISHED WED, SEP 29 2021•6:06 PM EDT | UPDATED 6 MIN AGO

These types of headlines tend to drive investors to make emotional decisions. However, while it appears the market won't quit declining, the correction was much needed.

[dmc]

Seasonally Strong Period Approaches

With the market now pushing into 3-standard deviation territory below the 50-dma and oversold technically on other measures, the reflexive rally on Friday was not surprising.

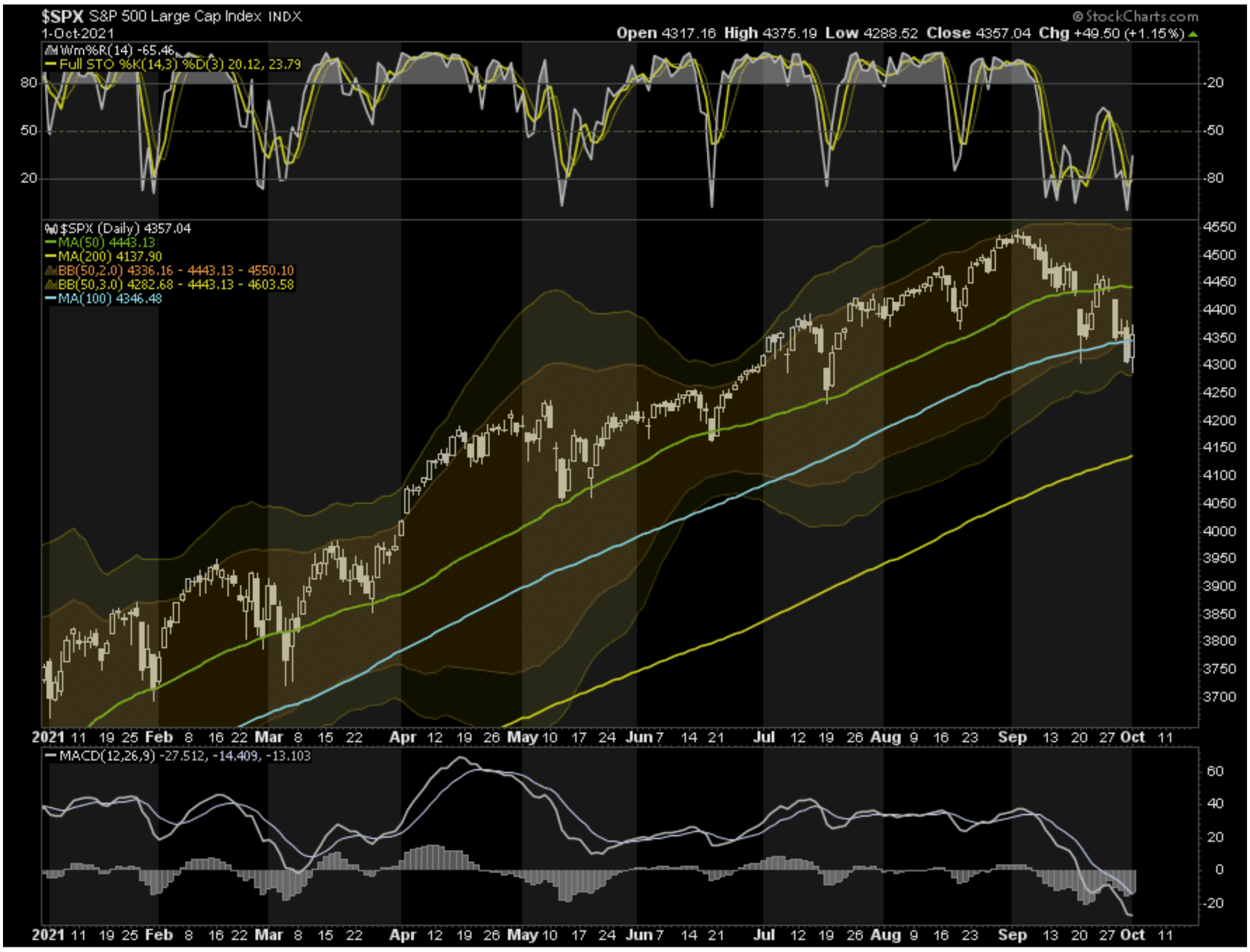
As noted in our **daily commentary (subscribe for free email delivery):**

> "We agree with Stocktrader?s Almanac:

?Many of the same geopolitical, political, fundamental, and technical headwinds we highlighted in the September and October Outlooks remain present. Congress passed the funding bill to avert a government shutdown just before the market closed today ahead of the September 30 midnight deadline. ***The biggest risk to the market remains the Fed. An uptick in taper talk or chatter about the Fed raising rates ahead of schedule could trigger another selloff.?***

However, it is worth noted there are two primary support levels for the S&P. The previous July lows (red dashed line) and the 200-dma. Any meaningful decline occurring in October will most likely be an excellent buying opportunity particularly when the MACD buy signal gets triggered.

The rally back above the 100-dma on Friday was strong and sets up a retest of the 50-dma. **If the market can cross that barrier we will trigger the seasonal MACD buy signal suggesting the bull market remains intact for now.**



?Seasonality is alive and well. So we stick with system. ? ? Stocktrader?s Almanac

If you didn't like the recent decline, you have too much risk in your portfolio. We suggest using any rally to the 50-dma next week to reduce risk and rebalance your portfolio accordingly.

While the end of the year tends to be stronger, there is no guarantee such will be the case. Once the market *"proves"* it is back on a bullish trend, you can always increase exposures as needed. If it fails, you won't get forced into selling.

Lessons To Learn From The Recent Decline

As noted, we expected the recent decline and previously discussed raising cash and reducing risk. Such allowed us to weather to correction without losing *(too much)* sleep at night. However, for most, the recent decline brought to light just how much risk exposure many have in portfolios.

While the decline was minimal, many investors suffered damage far more significant than the overall market decline. Such came from two sources:

1. *For those "doing it themselves," much of the damage came from more speculative stocks investors piled into to chase market returns.*
2. *Individuals who had financial advisors, also suffered damage as they put their ?financial advisors? into the position of chasing market returns or suffering career risk.*

Such should not be surprising. **I consistently meet with individuals who swear they are conservative when it comes to investing. They don't want to take any risk but require S&P 500 index returns.**

In other words, they want the impossible:

> *?All of the upside reward, but none of the downside risk.?*

The lesson we seem to need to learn continually is the understanding of risk. The demand for performance above what is required to reach our goals requires an exponential increase in risk. When clients demand greater returns, such forces advisors to *"chase returns"* rather than *"do what is right"* for the client.

For the advisor, such leads to *"career risk."* Specifically, if the advisor doesn't acquiesce to client demands, they lose the client to another advisor who promises the impossible.

Such is why *"buy and hold"* index investing has gained such popularity with advisors. If the market goes up, clients get market returns. When the market crashes, the excuse is,

> *"Well, no one could have seen that coming. But remember, it's 'time in the market' that matters."*

Media Driven Hype

While the advisor takes no liability for giving clients average performance, the client loses the ability to reach their financial goals.

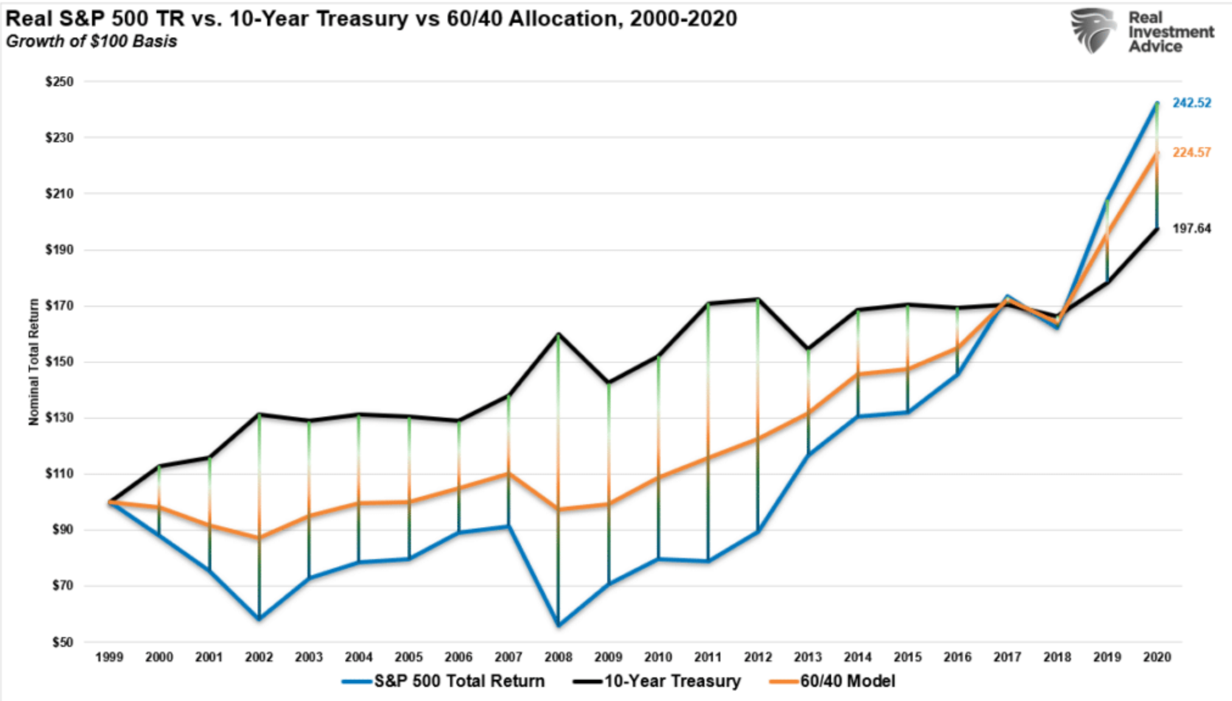
> ***?But if I had been conservative, I would have missed out on the bull market.?***

Almost daily, there is some advisory firm, financial media type, etc., suggesting that you need to buy and hold an S&P 500 index fund if you want to get rich.

During bull markets, such advice certainly seems sound. But, unfortunately, during bear markets and even near 5% corrections, the error of excessive risk becomes prevalent.

The truth is that a more conservative approach to investing can not only get you to your financial goals intact but can do so without triggering the numerous emotional mistakes that lead to worse outcomes.

Shown below is the total inflation-adjusted return of stocks versus bonds. **Since 1998, the difference between a 100% stock versus a 100% bond portfolio is just $50.** More importantly, during the two major bear markets, an all bond portfolio vastly outperformed with much lower volatility.



Source: Aswath Damodaran Historical Returns Of Stocks & Bonds

A 60/40 blend performed substantially better than an all-stock portfolio and currently only lags by $18. **An all-bond portfolio outperformed an all-stock portfolio until 2019. That underperformance will likely revert to outperformance over the next decade.**

It is hard to resist getting caught up in an accelerating market.

However, remember that while the cost of entry into the casino is cheap, the exit can be expensive.

Things You Can Do To Perform Better (And Sleep At Night)

Here are the core principles we use with every one of our clients.

- ***Understanding that Investing is not a competition***. *There are no prizes for winning but there are severe penalties for losing.*
- ***Checking emotions at the door.*** *You are generally better off doing the opposite of what you ?feel? you should be doing.*
- ***Realizing the ONLY investments you can ?buy and hold?*** *are those that provide an income stream with a return of principal function.*
- *Knowing that* ***market valuations*** *(except at extremes) are very poor market timing devices.*

- ***Understanding fundamentals and economics drive long term investment decisions*** *? ?Greed and Fear? drive short term trading. Knowing what type of investor you are determines the basis of your strategy.*
- ***Knowing the difference: ?Market timing? is impossible*** *? managing exposure to risk is both logical and possible.*
- ***Investing is about discipline and patience.*** *Lacking either one can be destructive to your investment goals.*
- ***Realize there is no value in daily media commentary*** *? turn off the television and save yourself the mental capital.*
- ***Investing is no different than gambling*** *? both are ?guesses? about future outcomes based on probabilities. The winner is the one who knows when to ?fold? and when to go ?all in?.*
- ***Most importantly, realizing that NO investment strategy works all the time.*** *The trick is knowing the difference between a bad investment strategy and one that is temporarily out of favor.*

Markets are not cheap by any measure. If earnings growth continues to wane, economic growth slows, not to mention the impact of demographic trends, the bull market thesis will fail when *"expectations"* collide with *"reality."*

Such is not a dire prediction of doom and gloom, nor is it a *"bearish"* forecast. **It is a function of how the *"math works over the long term."***

In Case You Missed It

The Debt Ceiling Non-Crisis & Why Rates Will Fall.

Written by Lance Roberts | Oct 1, 2021

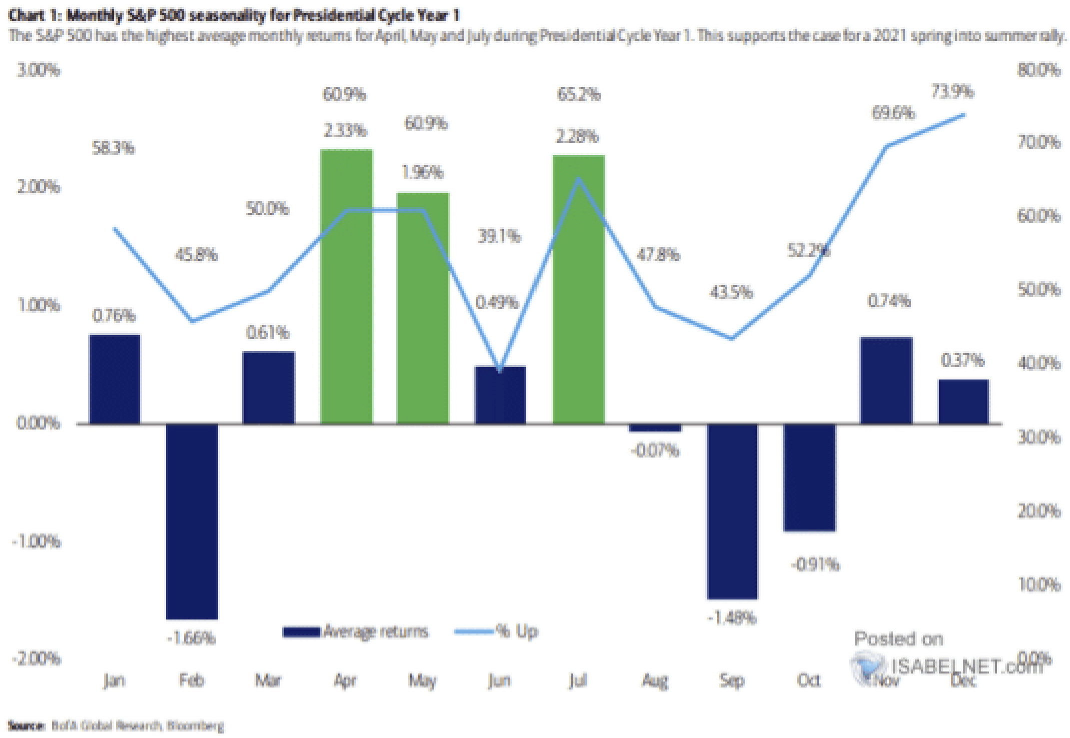
The financial media is rife with misinformation on the debt ceiling and the jump in…

> Read More

Not Out Of The Woods Just Yet

Yes, September was a rough month for the market. However, as we noted previously, a 5-10% correction would *"feel"* much worse due to the high levels of complacency. Judging by the amount of *"teeth-gnashing"* on the financial media, you would have thought the roughly 4% correction for the month was a massive bear market.

With the recent sell-off working off some short-term overbought conditions, the market is now better positioned for the *"seasonally strong"* period. As shown, while October can also tend to be a weaker month, it tends to be stronger than September. November and December are usually well into the green.



However, such is not a guarantee. The end of 2018, as the Fed was tapering its balance sheet and hiking rates, was not a positive experience for investors.

While the Fed is likely many months away from hiking interest rates, they are some very definite headwinds facing stocks into year-end.

- ***Valuations remain well elevated.***
- ***Inflation is proving to be much sticker than expected.***
- ***The Fed will likely move forward with "tapering" their balance sheet purchases in November.***
- ***Economic growth continues to weaken***
- ***Corporate profit margins will shrink due to higher inflationary pressures.***
- ***Earnings estimates will get revised downward keeping valuations elevated.***
- ***Liquidity is contracting on a global scale***
- ***Consumer confidence continues to wane***

While none necessarily suggest a more significant correction is imminent, they will make justifying current valuations more difficult. Moreover, with market liquidity already very thin, a reversal in market confidence could lead to a more significant decline than currently expected.

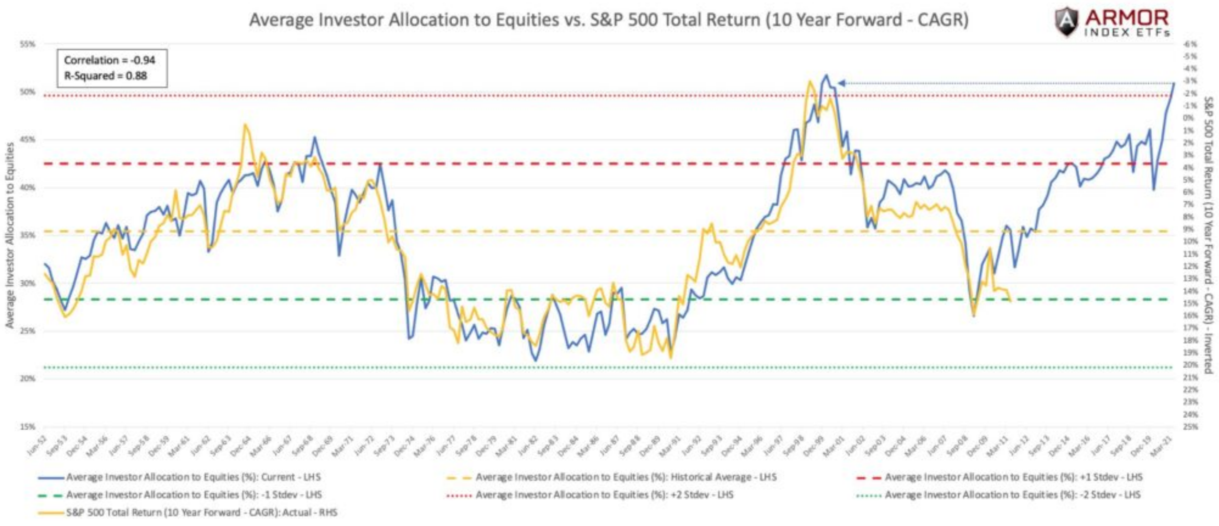
Such is why we have been adding bonds as of late.

Bob Farrell's Rule #5

Bob Farrell once quipped that investors tend to buy the most at the top and the least at the bottom. Such is simply the embodiment of investor behavior over time.

Our colleague, ***Jim Colquitt of Armor ETFs,*** reminded us of that axiom with a recent post.

The graph below compares the average investor allocation to equities to S&P 500 future 10-year returns. As we see, the data is very well correlated, lending credence to rule #5. Note the correlation statistics at the top left of the graph.



More importantly, current allocations to equities are more than two standard deviations above the norm. Per Jim:

> "*Since 1952, we've only had 4 quarterly observations above the two standard deviation line. Each of which resulted in negative returns (CAGR) for the subsequent 10 years. We now have a 5th."*

Over the next decade, there is a genuine possibility that bonds will provide a higher return than equities on a *"buy and hold"* basis.

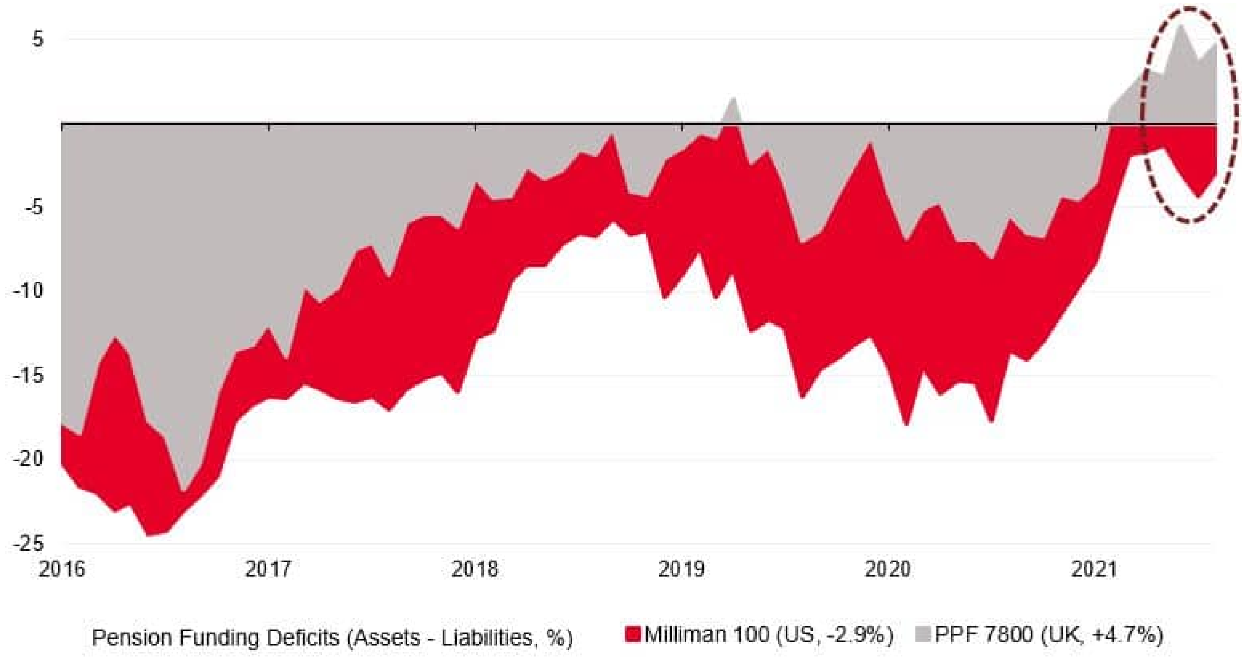
Such is something worth considering.

Portfolio Update

We discussed last week that after taking profits in August and raising cash, we slowly started adding back into our equity holdings. **The recent spike in bond yields also allowed us to increase the duration of our bond portfolio this week.**

We agree with Societe Generale's view this week:

> *"**From return 'on' capital, to return 'of' capital**. In the wise words of Dr. Dre, ' **Remember, anybody can get it, the hard part is keeping it.'** Investor portfolios have seen exceptional returns over the past 18 months to such an extent that the **pension funding ratios (asset to liability ratio) in the US are only slightly below 100%.***
>
> *The natural reaction to finding oneself in this situation is to 1) move out some allocation from risky assets to bonds, or 2) increase the hedging activity if one chooses to keep exposure to risky assets. The incessant demand for hedging and the high levels of skew are not surprising when viewed through this lens."*



We are still slightly underweight equities, slightly overweight in cash, and our duration is shorter than our benchmark. While we are looking for a market recovery through the end of the year, we are not drastically increasing our risk exposure. **If we are wrong** and the market breaks vital support levels, we can **reverse our positioning.**

For now, we are giving the market the benefit of the doubt. However, we are keeping our positioning on a very short leash. With valuations still elevated, the technical deterioration of the market remains a primary concern.

If the markets cannot regain their footing heading into October, we will begin looking to increase our hedges and reduce risk accordingly.

Have a great weekend.

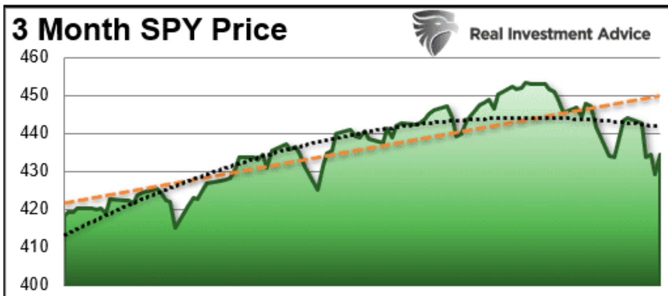
By Lance Roberts, CIO

Market & Sector Analysis

Analysis & Stock Screens Exclusively For RIAPro Members

S&P 500 Tear Sheet

3 Month SPY Price



SPY RISK INFO

Item	T 2-Yr	T 1-Yr.	YTD	% Diff YTD/T1-YR
Price Return	48.08%	28.84%	16.14%	(44.02%)
Max Drawdown	(35.63%)	(8.88%)	(5.91%)	(33.45%)
Sharpe	1.00	2.28	1.86	(0.18)
Sortino	1.01	3.28	2.55	(0.22)
Volatility	25.11	13.68	12.79	(0.07)
Daily VaR-5%	(13.65)	10.16	2.84	(0.72)
Mnthly VaR-5%	(3.29)	17.50	22.84	0.31

Item	2 years ago	1 year ago	Current	1 Yr % Change	5 Year High	5 year Low	% From High	% From Low
Dividend Yield	1.84%	1.50%	1.28%	(17.17%)	2.14%	1.20%	(40.15%)	6.59%
P/E Ratio	18.51	24.42	24.73	1.25%	2903%	1643%	(14.8%)	50.50%
P/S Ratio	3.73	4.38	4.94	11.24%	5.13	3.16	(3.78%)	56.19%
P/B Ratio	4.91	5.85	6.80	13.96%	6.86	4.18	(0.80%)	62.90%
ROE	21.97%	20.40%	26.15%	21.99%	26.15%	17.68%	0.00%	47.93%
ROA	4.31%	3.86%	4.68%	17.57%	4.68%	3.51%	0.00%	33.22%

S&P 500 Market Cap Analysis

Item	12-M Ago	Current	% Chg
Shares	2,884.5	2,799.9	(2.93%)
Sales	68,757	74,456	8.29%
SPS	23.8	26.6	11.56%
Earnings	10,531	13,647	29.58%
EPS TTM	4.1	5.3	28.91%
Dividend	1.6	1.6	4.61%

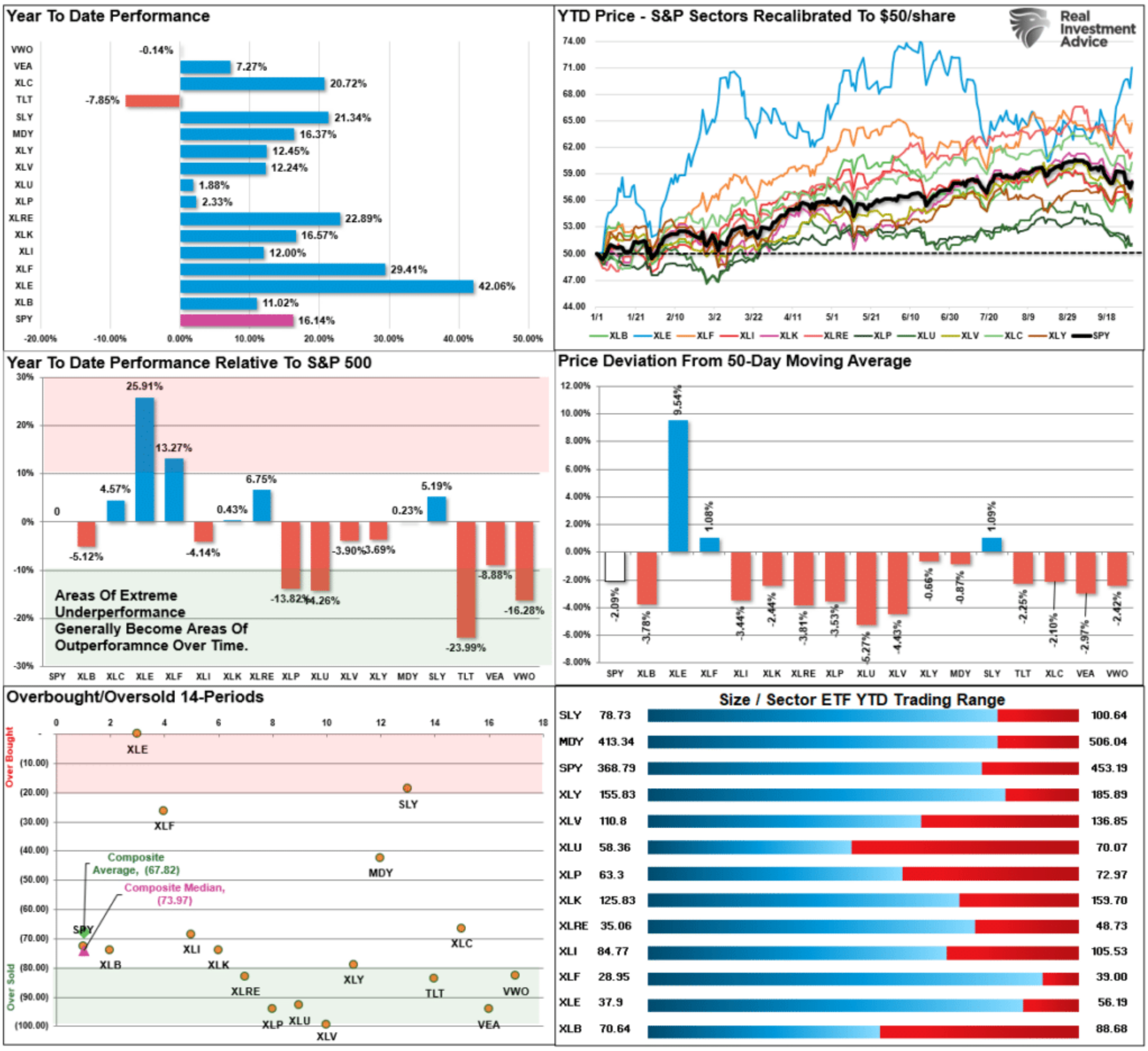
S&P 500 Asset Allocation

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	**87.08%**	2.76%	1.77	44.20	120.90	(330.04)	**(63.4%)**	4.3%	4.0%	2.32%	3.63	12.44
Materials	**28.37%**	2.49%	1.19	20.17	27.12	14.16	**(25.6%)**	14.3%	1.9%	5.01%	5.57	16.61
Industrials	**27.76%**	8.12%	1.20	36.00	54.23	14.69	**(33.6%)**	13.0%	1.4%	2.80%	6.05	21.51
Discretionary	**21.54%**	12.40%	1.32	40.77	60.06	20.97	**(32.1%)**	30.8%	0.6%	2.46%	6.26	30.94
Staples	**7.14%**	5.78%	0.65	21.45	23.01	17.65	**(6.8%)**	30.8%	2.6%	4.65%	4.61	21.03
Health Care	**20.77%**	13.27%	0.77	18.61	19.73	15.29	**(5.6%)**	31.3%	1.5%	5.37%	8.17	17.90
Financials	**55.91%**	11.44%	1.28	14.04	18.52	10.58	**(24.2%)**	11.4%	1.7%	7.21%	6.70	14.54
Technology	**29.54%**	27.50%	1.08	31.44	32.88	16.66	**(4.4%)**	72.4%	0.8%	3.22%	6.04	28.00
Telecom	**46.73%**	11.20%	0.96	25.86	28.26	17.65	**(8.5%)**	17.7%	0.5%	3.92%	9.40	22.85
Utilities	**5.95%**	2.45%	0.44	19.56	22.09	16.35	**(11.4%)**	10.7%	3.2%	5.07%	3.47	19.85
Real Estate	**26.25%**	2.60%	0.94	24.22	25.68	17.12	**(5.7%)**	8.1%	2.5%	4.15%	4.68	24.03

Momentum Analysis

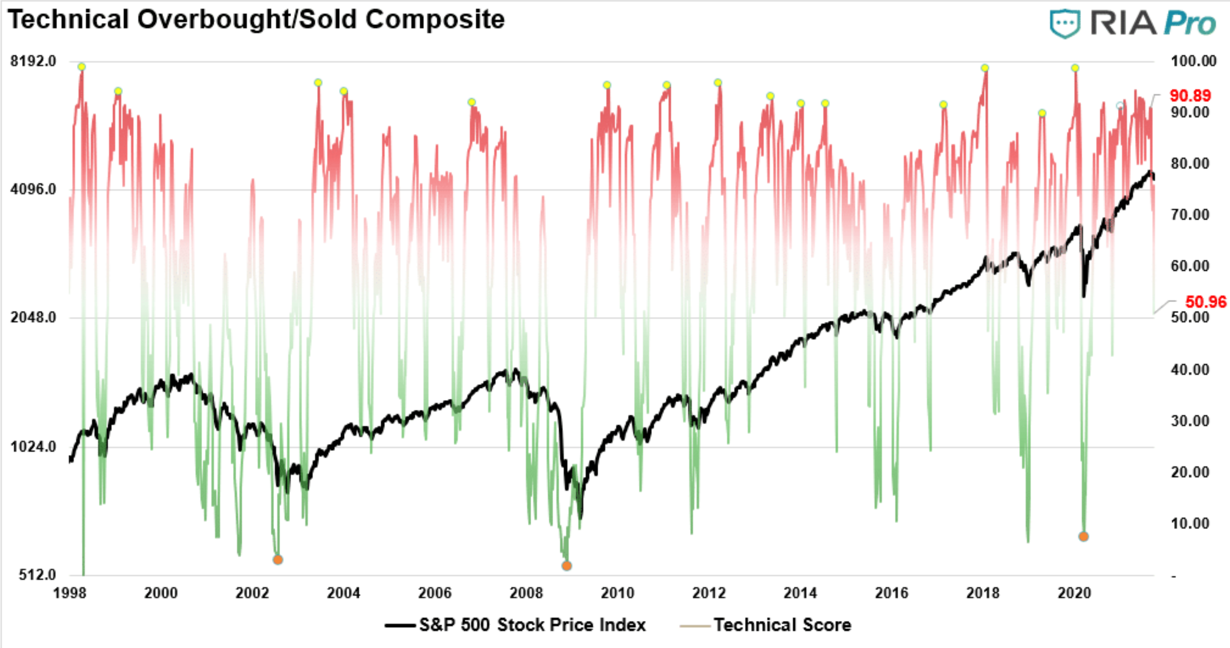
Item	Price	ROC 50-Days	50-DMA	# Days Since Cross	% Dev 50-Day	200-DMA	# Days Since Cross	% Dev 200-Day	% Dev 50-200 DMA	% From 52-W High	% From 52-W Low	Buy/Sell
Large Cap	434.24	(1.30%)	443.59	7	(2.11%)	414.12	275	4.86%	7.11%	(4.36%)	34.61%	Buy
Mid Cap	488.66	0.38%	493.07	5	(0.89%)	478.95	266	2.03%	2.95%	(3.74%)	46.04%	Buy
Small Cap	96.51	3.02%	95.50	1	1.05%	93.83	8	2.85%	1.78%	(4.39%)	60.58%	Buy

Performance Analysis



Technical Composite

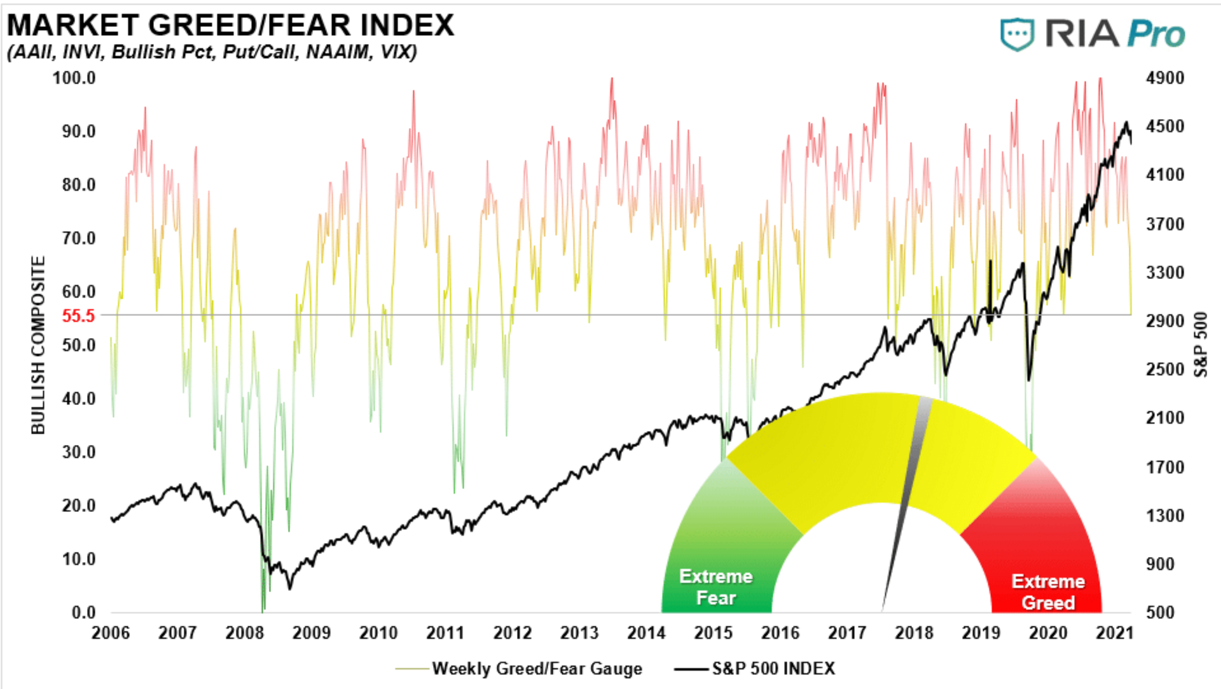
The technical overbought/sold gauge comprises several price indicators (RSI, Williams %R, etc.), measured using "weekly" closing price data. Readings above "80" are considered overbought, and below "20" are oversold. ***The current reading is 50.96 out of a possible 100.***



Portfolio Positioning "Fear / Greed" Gauge

Our "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 c*urrent reading is 55.5 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.* ***(Ranges reset on the 1st of each month)***
- *Table shows the price deviation above and below the weekly moving averages.*

RELATIVE PERFORMANCE		Current	PERFORMANCE RELATIVE TO S&P 500 INDEX					SHORT		MONTH END	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	LONG WMA	PRICE	BETA	HIGH	LOW	Short M/A	Long M/A	SIGNAL
IVV	ISHARS-SP500	435.95	(2.20)	(4.20)	(0.33)	4.07	30.11	443.38	422.25	430.82	0.99	441.59	420.05	-2%	3%	BULLISH
XLB	SPDR-MATLS SELS	80.37	1.33	(1.66)	(2.81)	(6.84)	(3.15)	83.15	82.01	79.11	1.06	81.93	76.29	-3%	-2%	BULLISH
XLC	SPDR-COMM SV SS	81.46	1.00	(0.49)	0.11	1.94	7.81	82.82	78.78	80.11	1.00	82.91	77.31	-2%	3%	BULLISH
XLE	SPDR-EGY SELS	53.84	7.97	14.94	2.21	7.17	53.58	49.51	50.40	52.09	1.66	54.26	49.92	9%	7%	BEARISH
XLF	SPDR-FINL SELS	38.15	2.01	4.41	4.26	3.70	26.88	37.44	36.16	37.53	1.17	38.91	36.15	2%	6%	BULLISH
XLK	SPDR-TECH SELS	151.57	(1.08)	(0.69)	0.58	1.70	1.75	154.43	144.00	149.32	1.04	154.61	144.03	-2%	5%	BULLISH
XLI	SPDR-INDU SELS	99.18	0.54	(0.97)	(3.83)	(6.01)	(2.32)	102.69	100.58	97.84	1.19	101.45	94.23	-3%	-1%	BULLISH
XLP	SPDR-CONS STPL	69.02	(0.07)	(1.03)	(1.28)	(5.20)	(22.44)	71.29	69.55	68.84	0.63	71.00	66.68	-3%	-1%	BULLISH
XLRE	SPDR-RE SELS	44.93	0.06	(3.60)	(1.80)	4.45	(6.78)	46.51	43.25	44.45	0.70	45.87	43.03	-3%	4%	BULLISH
XLU	SPDR-UTIL SELS	63.88	0.26	(3.87)	(0.78)	(9.03)	(24.86)	66.88	65.15	63.88	0.39	65.72	62.04	-4%	-2%	BULLISH
XLV	SPDR-HLTH CR	127.33	(1.33)	(2.75)	(0.74)	0.74	(7.87)	132.24	124.58	127.30	0.77	131.46	123.14	-4%	2%	BULLISH
XLY	SPDR-CONS DISCR	180.80	(0.02)	2.72	(0.59)	(3.56)	(8.18)	181.72	175.26	179.45	1.11	185.93	172.97	-1%	3%	BULLISH
XTN	SPDR-SP TRANSPT	88.56	2.56	6.44	4.88	(5.11)	19.04	84.86	86.02	86.52	1.34	89.84	83.20	4%	3%	BEARISH
SDY	SPDR-SP DIV ETF	118.81	1.99	(0.40)	(3.25)	(6.25)	(2.95)	122.43	121.11	117.55	0.91	121.56	113.54	-3%	-2%	BULLISH
RSP	INVS-SP5 EQ ETF	151.84	0.92	0.99	0.23	(0.89)	9.21	153.16	148.06	149.82	1.11	155.23	144.41	-1%	3%	BULLISH
SLY	SPDR-SP6 SC	96.51	3.10	3.21	0.24	(3.44)	24.67	95.26	95.42	94.74	1.23	98.28	91.20	1%	1%	BEARISH
MDY	SPDR-SP MC 400	488.66	1.67	1.25	(0.55)	(5.54)	10.90	491.25	486.50	480.88	1.17	498.55	463.21	-1%	0%	BULLISH
EEM	ISHARS-EMG MKT	50.33	1.31	(1.05)	(5.68)	(11.47)	(15.70)	52.00	53.56	50.38	0.79	52.04	48.72	-3%	-6%	BEARISH
EFA	ISHARS-EAFE	78.20	(0.42)	(0.51)	(1.38)	(5.45)	(7.72)	80.03	78.84	78.01	0.83	80.61	75.41	-2%	-1%	BULLISH
IAU	ISHARS-GOLD TR	33.49	2.92	0.38	(2.40)	(5.05)	(37.75)	34.08	34.11	33.41	0.10	34.28	32.54	-2%	-2%	BEARISH
GDX	VANECK-GOLD MNR	29.33	1.02	(7.67)	(14.33)	(22.67)	(54.85)	32.52	34.20	29.47	0.69	30.41	28.53	-10%	-14%	BEARISH
UUP	INVS-DB US$ BU	25.26	3.03	6.34	2.31	(1.60)	(30.55)	24.93	24.69	25.31	(0.12)	25.91	24.71	1%	2%	BULLISH
BOND	PIMCO-TOT RETRN	110.69	1.94	3.49	(0.21)	(3.85)	(31.37)	111.50	110.83	110.55	0.09	113.41	107.69	-1%	0%	BULLISH
TLT	ISHARS-20+YTB	145.35	1.13	2.29	(0.47)	0.30	(40.81)	148.50	143.21	144.32	(0.23)	147.60	141.04	-2%	1%	BULLISH
BNDX	VANGD-TTL INT B	57.02	1.99	3.18	(0.19)	(4.30)	(32.15)	57.63	57.32	56.96	0.04	58.40	55.52	-1%	-1%	BULLISH
HYG	ISHARS-IBX HYCB	87.41	1.63	3.52	(0.34)	(3.95)	(25.84)	87.71	87.37	87.49	0.37	90.00	84.98	0%	0%	BULLISH

RIA Pro RISK RANGE REPORT 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	128.73	19.35	9.14	0.75	20.86	9.00
AVY	Avery Dennison	207.21	7.00	3.83	1.31	23.47	9.00
IDXX	Idexx Labs Inc	621.90	19.92	11.36	0.00	74.12	9.00
WAT	Waters Corp	357.30	9.39	2.76	0.00	33.39	9.00
ADI	Analog Devices	167.48	9.67	9.40	1.65	27.28	8.00
DE	Deere & Co	335.07	21.19	8.92	1.25	19.41	8.00
DHR	Danaher Corp	304.44	13.65	4.66	0.28	34.67	8.00
GPC	Genuine Parts	121.23	9.17	3.61	2.69	18.97	8.00
HCA	Hca Holdings	242.72	11.10	5.70	0.79	16.67	8.00
IQV	Iqvia Holdings	239.54	15.69	11.74	0.00	31.98	8.00
IT	Gartner Inc -A	303.88	13.50	13.17	0.00	45.09	8.00
KEYS	Keysight Tech	164.29	11.51	11.13	0.00	29.60	8.00
KLAC	Kla Corp	334.51	16.17	17.67	1.26	22.99	8.00
MSFT	Microsoft Corp	281.92	11.09	15.85	0.79	35.37	8.00
NXPI	Nxp Semiconduct	195.87	10.00	-0.89	1.15	24.89	8.00
ODFL	Old Dominion Fl	285.98	22.73	8.39	0.28	39.01	8.00
PG	Procter & Gambl	139.80	7.00	3.25	2.49	24.70	8.00
QRVO	Qorvo Inc	167.19	12.72	6.56	0.00	16.11	8.00
SWK	Stanley B&D Inc	175.31	12.19	6.67	1.80	14.15	8.00
WMT	Walmart Inc	139.38	5.50	3.36	1.58	22.48	8.00
WST	West Pharm Svc	424.54	27.26	9.85	0.16	60.65	8.00
A	Agilent Tech	157.53	13.00	7.11	0.49	38.33	7.00
ADM	Archer Daniels	60.01	8.22	2.09	2.47	12.45	7.00
BRK.B	Berkshire Hth-B	272.94	7.00	2.37	0.00	26.14	7.00
CBRE	Cbre Group Inc	97.36	11.00	18.03	0.00	22.13	7.00
EMR	Emerson Elec Co	94.20	10.14	-0.15	2.14	23.61	7.00
EW	Edwards Lifesci	113.21	15.73	10.83	0.00	51.69	7.00
EXR	Extra Space Stg	167.99	8.30	8.24	2.98	28.33	7.00
FLT	Fleetcor Tech	261.27	15.04	6.65	0.00	23.22	7.00
JNJ	Johnson & Johns	161.50	7.76	3.75	2.63	17.69	7.00
ORLY	O Reilly Auto	611.06	14.15	8.04	0.00	21.93	7.00
RSG	Republic Svcs	120.06	10.62	1.92	1.53	29.87	7.00
UPS	Utd Parcel Srvc	182.10	11.65	8.42	2.24	16.91	7.00
COST	Costco Whole Cp	449.35	8.56	9.98	0.70	40.56	6.00
CRL	Charles Rvr Lab	412.67	14.00	15.88	0.00	41.85	6.00
GRMN	Garmin Ltd	155.46	6.80	9.55	1.72	25.20	6.00
MCHP	Microchip Tech	153.49	16.18	14.60	1.14	24.60	6.00
MSI	Motorola Solutn	232.32	9.00	6.54	1.22	28.26	6.00
NVDA	Nvidia Corp	207.16	19.54	21.67	0.08	70.94	6.00
PAYC	Paycom Software	495.75	25.00	26.62	0.00	172.13	6.00
AME	Ametek Inc	124.01	10.52	5.15	0.65	28.77	5.00
AZO	Autozone Inc	1697.99	11.41	6.06	0.00	17.74	5.00
DRE	Duke Realty Cp	47.87	6.79	4.20	2.13	29.19	5.00
FAST	Fastenal	51.61	9.00	9.09	2.17	34.18	5.00
IEX	Idex Corp	206.95	12.00	3.11	1.04	35.14	5.00
JPM	Jpmorgan Chase	163.69	5.00	6.02	2.20	10.92	5.00
KR	Kroger Co	40.43	8.91	2.86	2.08	11.52	5.00
PLD	Prologis Inc	125.43	7.34	14.63	2.01	32.75	5.00
V	Visa Inc-A	222.75	19.30	8.10	0.57	41.17	5.00
JKHY	Jack Henry Assc	164.06	11.00	5.27	1.12	39.82	4.00
UNH	Unitedhealth Gp	390.74	13.28	8.83	1.48	24.36	4.00

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

Ticker	Company	Current Price	Price/ Book	ROE 5 Yr Avg	Div Yield	Score
GSBD	Goldman Sac Bdc	18.35	1.14	11.49	9.81	9
LOMA	Loma Negra Cia	7.13	1.39	20.61	3.57	9
BABB	Bab Inc	0.72	1.78	14.73	5.59	8
CAG	Conagra Brands	33.87	1.88	17.78	3.69	8
ETRN	Equitrans Midst	10.14	1.20	14.90	5.92	8
SAFT	Safety Ins Grp	79.25	1.29	11.56	4.54	8
UBCP	Utd Bancorp -Oh	14.30	1.23	10.50	4.13	8
WSBF	Waterstone Finl	20.49	1.20	10.38	3.90	8
AGNC	Agnc Investment	15.77	0.90	13.02	9.13	7
BACHY	Bank China Ltd	8.79	0.31	10.44	7.26	7
BTG	B2Gold Corp	3.42	1.32	10.82	4.68	7
CAC	Camden Ntl Corp	47.90	1.31	11.63	3.01	7
CFFI	C&F Finl Cp	53.11	0.97	11.14	3.01	7
CGBD	Tcg Bdc Inc	13.41	0.84	10.48	9.55	7
CMTV	Commnty Bcp Vt	19.50	1.31	13.16	4.51	7
CZFS	Citizens Fin Sv	62.50	1.21	12.48	3.01	7
FAF	First Amer Finl	67.05	1.40	14.09	3.04	7
FFBC	First Fin Bc-Oh	23.41	1.00	10.08	3.93	7
FLIC	First Long Is	20.60	1.18	10.80	3.69	7
FLMN	Falcon Minerals	4.70	1.84	45.19	12.77	7
FNLC	First Bancp Inc	29.14	1.37	11.91	4.39	7
FNWD	Finward Bancorp	41.05	0.92	13.40	3.02	7
HPE	Hewlett Pkd Ent	14.25	1.09	10.34	3.37	7
IBCP	Indep Bk Mich	21.48	1.18	12.51	3.91	7
MBWM	Mercantile Bank	32.03	1.13	10.23	3.75	7
NBTB	Nbt Bancorp Inc	36.12	1.28	10.04	3.10	7
NHTC	Natural Hlth Tr	7.17	1.29	29.61	11.16	7
NL	Nl Inds Inc	5.76	0.78	12.15	4.17	7
NLY	Annaly Cap Mgmt	8.42	1.00	12.12	10.45	7
NRIM	Northrim Bcp	42.51	1.11	10.80	3.58	7
PFG	Principal Finl	64.40	1.06	11.82	3.91	7
SNV	Synovus Finl Cp	43.89	1.39	11.85	3.01	7
TRTN	Triton Intl Ltd	52.04	1.61	13.46	4.38	7
TWO	Two Harbors Inv	6.34	0.97	11.60	10.73	7
UGI	Ugi Corp	42.62	1.82	11.77	3.24	7
USB	Us Bancorp	59.44	1.86	13.99	3.10	7
UVE	Univl Insur Hld	13.04	0.85	17.31	4.91	7
WAYN	Wayne Svgs Bcsh	25.70	1.19	10.51	3.27	7
WBA	Walgreens Bai	47.05	1.80	19.91	4.06	7

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
IDXX	Idexx Labs Inc	621.90	19.92	11.36	-	74.12	9.00
AMAT	Appld Matls Inc	128.73	19.35	9.14	0.75	20.86	9.00
WST	West Pharm Svc	424.54	27.26	9.85	0.16	60.65	8.00
ODFL	Old Dominion Fl	285.98	22.73	8.39	0.28	39.01	8.00
DE	Deere & Co	335.07	21.19	8.92	1.25	19.41	8.00
KLAC	Kla Corp	334.51	16.17	17.67	1.26	22.99	8.00
IQV	Iqvia Holdings	239.54	15.69	11.74	-	31.98	8.00
DHR	Danaher Corp	304.44	13.65	4.66	0.28	34.67	8.00
IT	Gartner Inc -A	303.88	13.50	13.17	-	45.09	8.00
QRVO	Qorvo Inc	167.19	12.72	6.56	-	16.11	8.00
SWK	Stanley B&D Inc	175.31	12.19	6.67	1.80	14.15	8.00
KEYS	Keysight Tech	164.29	11.51	11.13	-	29.60	8.00
HCA	Hca Holdings	242.72	11.10	5.70	0.79	16.67	8.00
MSFT	Microsoft Corp	281.92	11.09	15.85	0.79	35.37	8.00
EW	Edwards Lifesci	113.21	15.73	10.83	-	51.69	7.00
FLT	Fleetcor Tech	261.27	15.04	6.65	-	23.22	7.00
ORLY	O Reilly Auto	611.06	14.15	8.04	-	21.93	7.00
A	Agilent Tech	157.53	13.00	7.11	0.49	38.33	7.00
UPS	Utd Parcel Srvc	182.10	11.65	8.42	2.24	16.91	7.00
CBRE	Cbre Group Inc	97.36	11.00	18.03	-	22.13	7.00
RSG	Republic Svcs	120.06	10.62	1.92	1.53	29.87	7.00
PAYC	Paycom Software	495.75	25.00	26.62	-	172.13	6.00
NVDA	Nvidia Corp	207.16	19.54	21.67	0.08	70.94	6.00
MCHP	Microchip Tech	153.49	16.18	14.60	1.14	24.60	6.00
CRL	Charles Rvr Lab	412.67	14.00	15.88	-	41.85	6.00
V	Visa Inc-A	222.75	19.30	8.10	0.57	41.17	5.00
IEX	Idex Corp	206.95	12.00	3.11	1.04	35.14	5.00
AZO	Autozone Inc	1,697.99	11.41	6.06	-	17.74	5.00
UNH	Unitedhealth Gp	390.74	13.28	8.83	1.48	24.36	4.00
JKHY	Jack Henry Assc	164.06	11.00	5.27	1.12	39.82	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
IDXX	Idexx Labs Inc	621.90	19.92	11.36	-	3.74	9
INFO	Ihs Markit Ltd	116.62	#N/A	13.05	0.69	#N/A	8
MSFT	Microsoft Corp	281.92	11.09	15.85	0.79	2.94	8
STAA	Staar Surgical	128.53	#N/A	21.32	-	#N/A	8
TSLA	Tesla Inc	775.48	37.50	44.93	-	5.95	8
WST	West Pharm Svc	424.54	27.26	9.85	0.16	1.89	8
AVB	Avalonbay Cmmty	221.64	4.55	3.02	2.87	6.09	7
AZPN	Aspen Tech Inc	122.80	7.33	9.14	-	3.73	7
EW	Edwards Lifesci	113.21	15.73	10.83	-	3.18	7
EXPO	Exponent Inc	113.15	#N/A	7.12	0.71	#N/A	7
EXR	Extra Space Stg	167.99	8.30	8.24	2.98	3.08	7
LSI	Life Storage	114.74	3.63	7.03	2.58	6.55	7
MSCI	Msci Inc-A	608.34	#N/A	10.49	0.68	#N/A	7
TNDM	Tandem Diabetes	119.38	#N/A	61.93	-	#N/A	7
XLNX	Xilinx Inc	150.99	#N/A	8.48	-	#N/A	7
CPRT	Copart Inc	138.72	#N/A	14.92	-	#N/A	6
NVDA	Nvidia Corp	207.16	19.54	21.67	0.08	2.97	6
PAYC	Paycom Software	495.75	25.00	26.62	-	6.29	6
REG	Regency Ctrs Cp	67.33	9.48	10.70	3.53	1.87	6
CGNX	Cognex Corp	80.22	#N/A	9.35	0.30	#N/A	5
CHCT	Comm Hlthcr Tr	45.19	10.00	30.23	3.83	1.98	5
DRE	Duke Realty Cp	47.87	6.79	4.20	2.13	4.10	5
DXCM	Dexcom Inc	546.86	15.29	37.13	-	14.53	5
JYNT	Joint Corp/The	98.02	#N/A	32.25	-	#N/A	5
MRNA	Moderna Inc	384.86	29.15	344.64	-	0.45	5
PLD	Prologis Inc	125.43	7.34	14.63	2.01	4.19	5
QLYS	Qualys Inc	111.29	#N/A	16.53	-	#N/A	5
V	Visa Inc-A	222.75	19.30	8.10	0.57	1.98	5

Portfolio / Client Update

The markets continued to struggle this week as threats of a debt default lingered in the air. While the pressure was relieved somewhat on Thursday afternoon with Congress passing a *"Continuing Resolution"* to fund the government, quarter-end portfolio selling kept a lid on prices.

With markets pushing into deeply oversold territory on a short-term basis, the reflexive rally on Friday could extend into next week. We will evaluate our positioning on that rally and rebalance risks as needed.

We continue to be mindful of the risk exposure the portfolio has currently, but we are also entering into the seasonally strong period of the year. With a much-needed correction now behind us, we don't want to get too conservative just yet, particularly as global money flows remain exceptionally strong currently.

Asset flows will eventually slow, particularly as Central Banks starting tightening monetary policy in 2022. However, we aren't there just yet. There will be a point to become very defensive, and we will drastically reduce our equity risk. However, the bullish bias remains for now, even though the recent correction may have dented it just a bit.

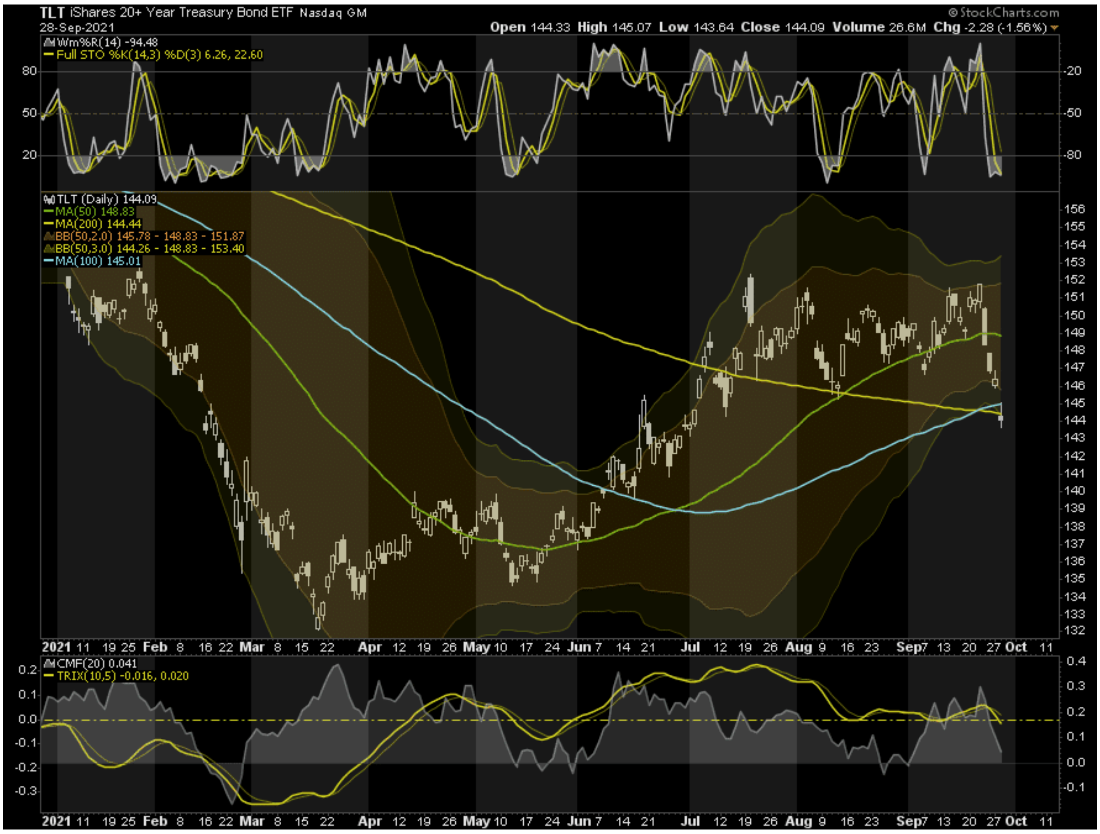
We continue to monitor our portfolios closely. However, if you have any questions, do not hesitate to contact us.

Portfolio Changes

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

***** Trading Update ? Equity and Sector Models *****

> *"As noted in this morning?s* ***Daily Commentary,*** *the recent spike in interest rates has given us a decent opportunity to add to our longer-duration bond portfolios. We have an article coming out on Friday discussing the history of ?debt ceiling? debates and the outcome for bonds. With bonds bouncing off support at the 200-dma and oversold, such has historically provided a decent entry point to add exposure."* - 09/29/21



Equity & ETF Models

- *Add 1% to both IEF and TLT respectively.*

> "*As noted in this morning?s* *Daily Commentary,* *with the market triggering its ?money-flow? buy signal, we are continuing to increase our exposure in both models. This morning we added a bit more to our Utility exposure which increases our overall portfolio dividend yield and gives us a bit of defensive positioning. We also increased our stakes in energy and financials.*" - 09/27/21

Equity Model

- *Add 1% to DUK, XOM and JPM bringing total portfolio weight to 2% each.*

ETF Model

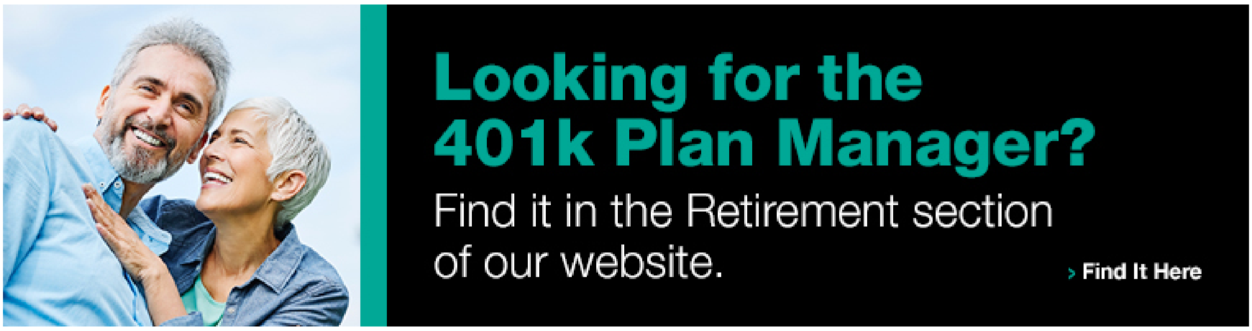
- *Add 1% to the current holdings of XLE, XLU, and XLF*

As always, our short-term concern remains the protection of your portfolio. Accordingly, we remain focused on the differentials between underlying fundamentals and market over-valuations.

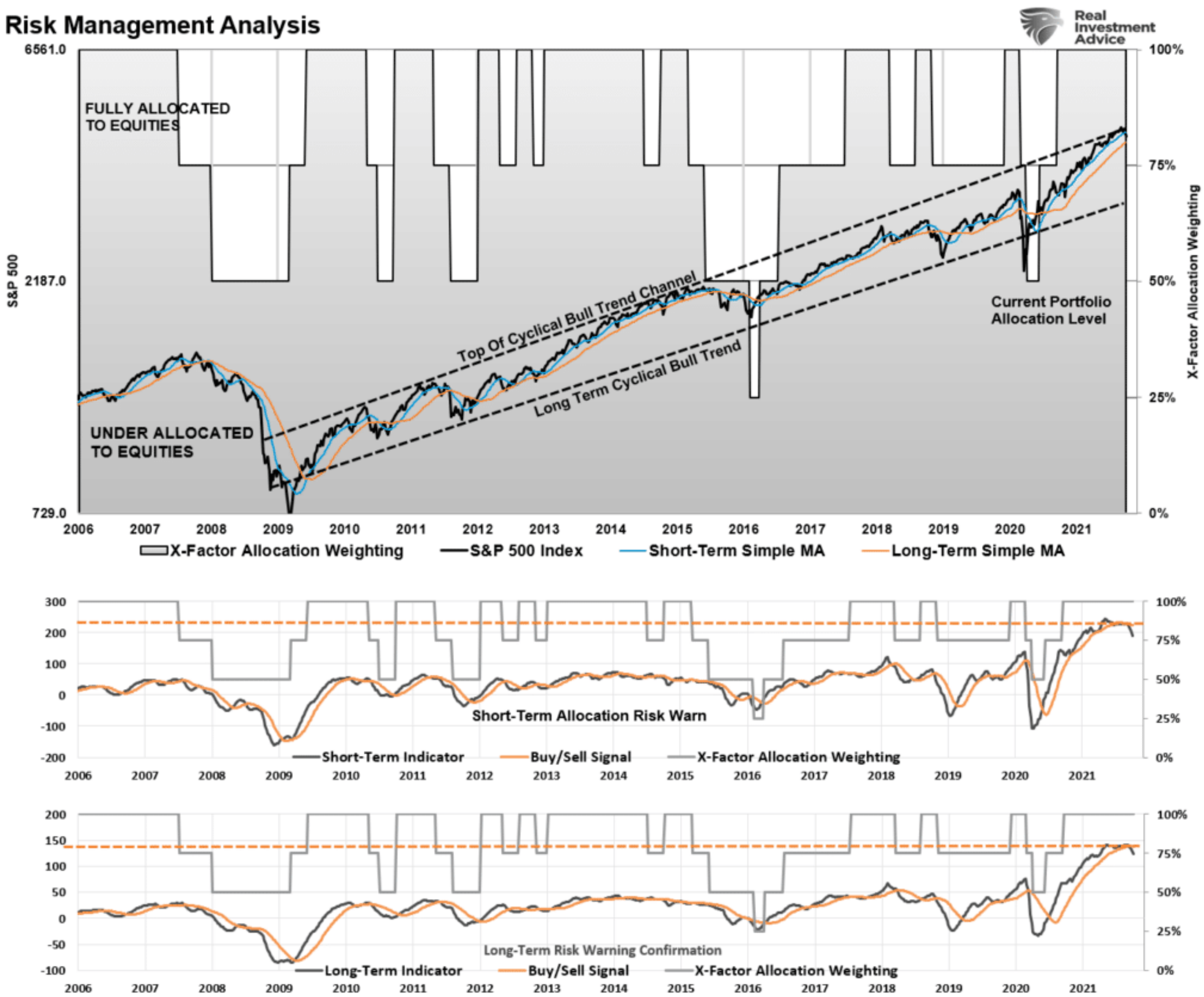
Lance Roberts, CIO

THE REAL 401k PLAN MANAGER

A Conservative Strategy For Long-Term Investors



Attention: The 401k plan manager will no longer appear in the newsletter in the next couple of weeks. However, the *link to the website* will remain for your convenience. Be sure to bookmark it in your browser.



Commentary

On Thursday, the market retested its recent peak to trough correction of 5%. However, as discussed previously, such a correction is within the norms for any given market year. However, since we remain in a very low volatility market this year, we warned the correction would *"feel"* worse than it was.

With the correction complete, and markets very oversold short-term, portfolio allocations can remain at current levels. Cash that accumulated over the past few weeks can now get deployed to allocations. Also, rebalance your bonds back to weightings after the recent rise in rates.

We are moving into the seasonally strong period of the year, so we want to be positioned accordingly. Keep exposures primarily allocated to domestic equity and reduce mid-and small-cap exposure accordingly. Very likely, we are going to see a rotation into large-cap equities as earnings come under pressure from slower growth, higher inflation, and the Fed taper.

There is no need to be aggressive here. There is likely not a lot of upside between now and the end of the year.

Model Descriptions

1. Understand your allocation options:

CORE STRATEGY

The core strategy consists of holdings that are based on market fundamentals, valuations, and long-term market trends. These are holding that should be considered "long-term" investments and should primarily track the benchmark index over time. The turnover of the portfolio should be extremely low with the exception of rebalancing periods due to market gyrations.

TACTICAL STRATEGY

The tactical strategy consists of holdings which based on the short- to intermediate-term trends of the market. As macro-economic, monetary and fiscal policy, and investor psychology impacts markets, the holdings in the tactical strategy will shift to take advantage of market rotations. Importantly, this portion of the portfolio can move to all cash if needed to reduce risk in the event of a market downturn.

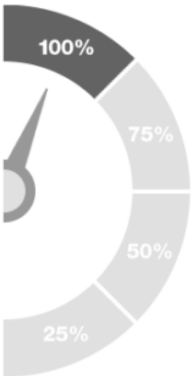
FIXED INCOME

The fixed income strategy is designed to both take advantage of changes in interest rate and inflation expectations, but also deliver a lower degree of volatility to the overall portfolio. The primary focus of the fixed-income portfolio is to protect capital, generate income, and lower overall portfolio volatility.

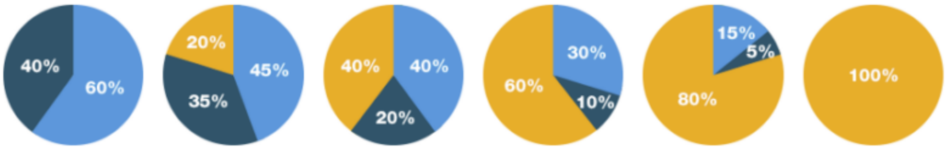
Choose The Model That FIts Your Goals

2. Choose the financial strategy that best fits your retirement goals and let RIA do all the work for you:

Current Target



Risky					Conservative
Aggressive Growth	**Growth**	**Balanced**	**Conservative**	**Ultra Conservative**	**Fixed Income Only**
100% Stocks 0% Bonds	80% Stocks 20% Bonds	60% Stocks 40% Bonds	40% Stocks 60% Bonds	20% Stocks 80% Bonds	0% Stocks 100% Bonds



Aggressive Growth	Growth	Balanced	Conservative	Ultra Conservative	Fixed Income Only
A portfolio that is 100% exposed to stocks for investors seeking to obtain "benformance". This portfolio is most suitable for younger investors with a long-term time horizon to retirement.	For investors still wating more growth from their portfolio, but with a sligntly lower risk profile the addition of fixed income lowers overall volatility. This portfolio is suitable for investors with a 10-20 year time horizon to retirement.	Investors seeking a more conservative approach that will track a balanced index may find the balanced. With lower volatility, but with a growth component, the portfolio is suitable for investors 10-15 years to retirement.	For those approaching retirement and are more (<10 years) concerned about capital preservation over growth the conservative model may be useful. with a lower exposure to stocks, volatility is reduced and shold protect portfolios against potential market drawdowns.	For investors rapidly approaching retirement, where funds will be rolled out of company retirement plans, an ultra-conservative model may be useful in ensuring capital protection. Useful for individuals within 24-months of retirement.	For individuals within 12-months of retirement, an all fixed income portfolio may be appropriate to protect capital before the roll-over process. If your window to retirement is longer than 12-months, the Ultra-Conservative model may be more appropriate.

Model Allocations

Asset Class						
CORE STRATEGY						
Large Cap Blend (Ex. S&P 500 Index)	25	20	20	15	5	
Large Cap Growth	10	5				
Large Cap Value			5			
Large Cap Dividend			5	10	10	
Mid Cap Growth	10	5				
Mid Cap Value			5	5		
Small Cap Blend	15	15	5			
TACTICAL STRATEGY						
International Growth	5	5	5			
International Value			5	5		
International Blend	5	5				
Emerging Markets	10	5				
Real Estate	10	10	10	5	5	
Commodities	10	10				
FIXED INCOME						
Short Term Core			5	10	20	35
Intermedia Core		10	15	30	30	30
Global Fixed			10	10	15	10
High Yield Bond		10	5			
Inflation Protected			5	10	15	25
CASH						
Retirement Reserves/Stable Value						
5 Year Standard Deviation	15.8	13.1	9.8	6	4.4	3
5 Year Annual Return	16.7	13.8	10.7	7.9	5.8	3.4
5 Year Maximun Drawdown	-34.3	-30.2	-24.5	-16.7	-11.2	-8.2

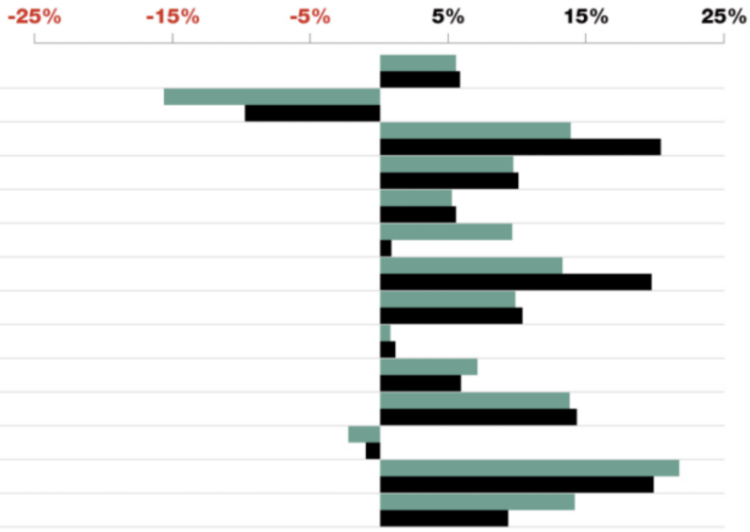
If you need help after reading the alert, do not hesitate to **contact me**.

Or, let us manage it for you automatically.

401k Model Performance Analysis

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.

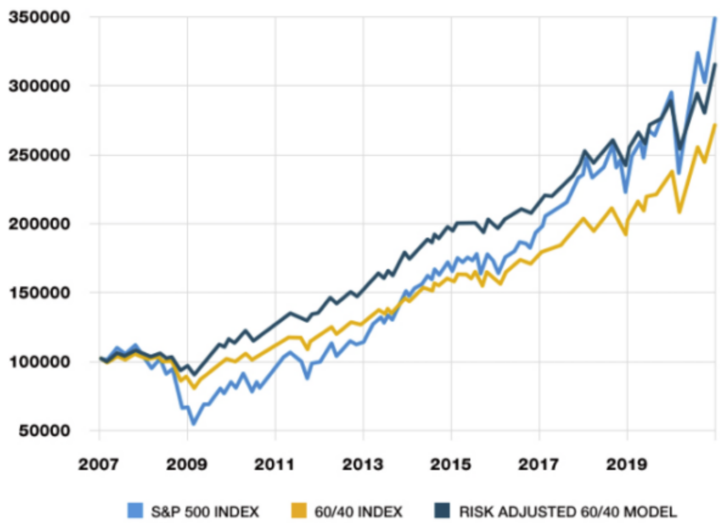
Year	60/40 Benchmark Return	60/40 Model Return
2007	6.16%	6.29%
2008	-16.73%	-9.79%
2009	14.14%	20.13%
2010	10.19%	10.34%
2011	5.11%	5.74%
2012	9.33%	1.00%
2013	13.94%	19.02%
2014	10.04%	10.92%
2015	0.88%	1.67%
2016	7.77%	6.30%
2017	14.12%	14.71%
2018	-2.71%	-1.33%
2019	22.41%	19.77%
2020	14.58%	8.60%



Portfolio vs Benchmark Statistics

Number of Up Years	12
Number of Down Years	2
Best One Year Return of Benchmark	22.41%
Best One Year Return of Model	20.13%
Worst One Year Return of Benchmark	-16.73%
Worst One Year Return of Model	-9.79%
Benchmark Return 2007 - Present	171.16%
Model Return 2007 - Present	213.32%
Total Alpha Generated	42.17%
Mean Annual Return of Benchmark	7.80%
Mean Annual Return of Model	8.81%
Beta of Model vs Benchmark	0.87
Jensens Alpha	1.91%
Sharpe Ratio	0.29

60/40 Benchmark vs Risk Adjusted 60/40 Allocation



Have a great week!