

# ***AAll Houston Chapter Meeting Agenda 05-20-23***

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09:30 *Income SIG Update – Hy-Inc*  
*- [jokeefe7@gmail.com](mailto:jokeefe7@gmail.com) (John)*

10:30 *Premier Social Security Consulting*  
*- [Mkiner@mypremierplan.com](mailto:Mkiner@mypremierplan.com) (Marc)*

# ***Income SIG – Disclosure & Disclaimer***

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## **ADVISOR STATUS**

- We are not investment advisors

## **THE FUTURE IS NOT PREDICTABLE ... but RHYMES?**

- Pursuant to the provisions of Rule 206(4)-1 of the Investment Advisors Act of 1940, all attendees should recognize that recommendations implied or made, may or may not duplicate the performance based on historical analysis

## **SOURCES**

- The contents of this presentation have been compiled from original and published sources believed to be reliable but are not guaranteed as to accuracy or completeness.

# Income SIG – Hybrid-Income

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- ▶ **OBJECTIVE**
  - Great Assets at Good Prices (Kettlebell, not Dumbbell)
  - Monthly Income via Div, Interest, Options ... & Price  $\Delta$
- ▶ **ASSETS CLASSES**
  - Au, Bonds, Stocks, Alternatives, US or non-US
- ▶ **HORIZON**
  - 1 month +
- ▶ **EQUITIES**
  - Upper ½ of Industry Benchmarks;
  - 1<sup>st</sup> Position ETFs or Mutuals, 2<sup>nd</sup> Position - Companies
  - MorningStar >3 or C+
  - DivInc a f(CF, Income, & capacity to service debt)
  - Risk-adjusted Returns, Drawdowns
  - Momentum -> Buy Sell Sequence – ETF, equity, options

# Hy-Inc Goal – Portfolio of “Uncorrelated” Assets

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## Inc Sig History

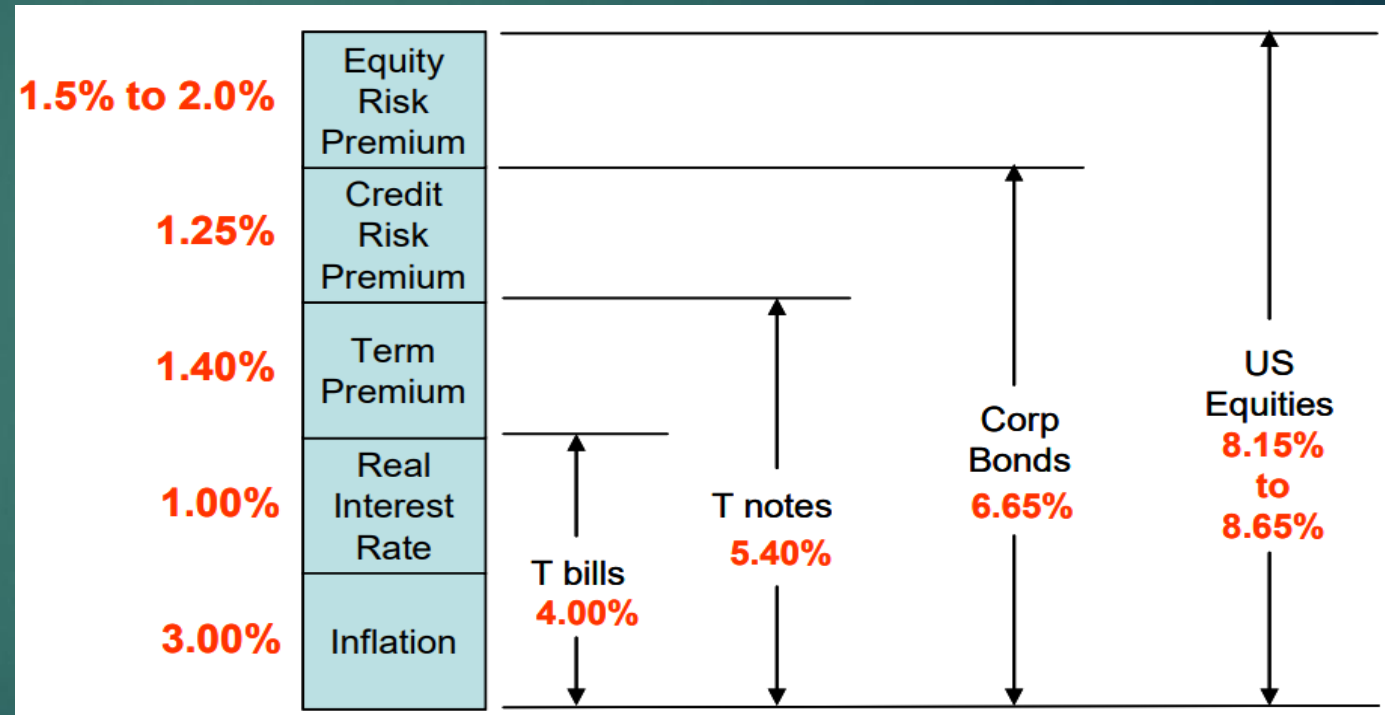
2020 Feb      \$500k

2023 May      \$748k  
~13% CAGR

### All US Equities

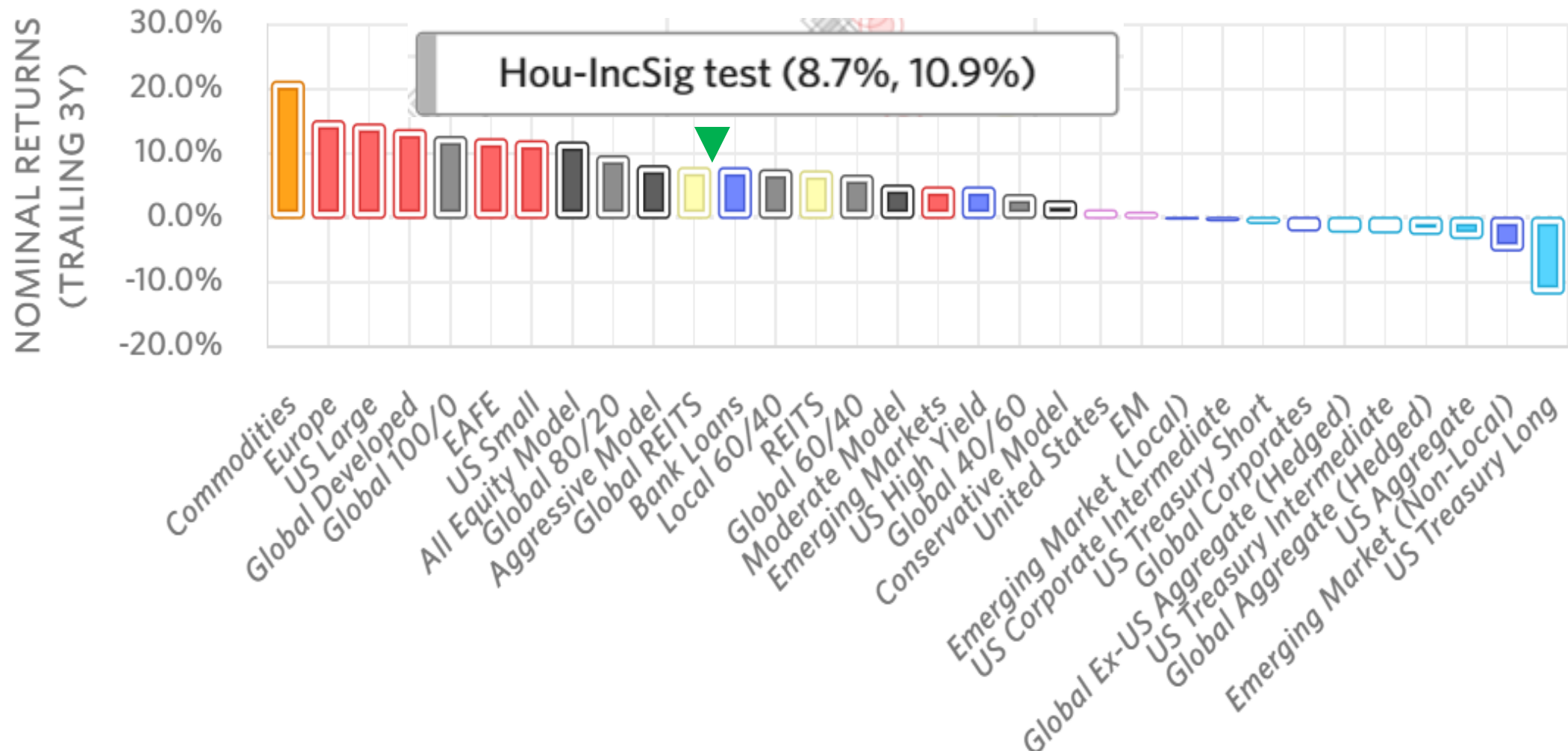
- Price Stability (Value)
- Dividends
- Options

## Asset Risk Premium - Illustrative



# 3 Year Trailing - Nominal Return vs Risk

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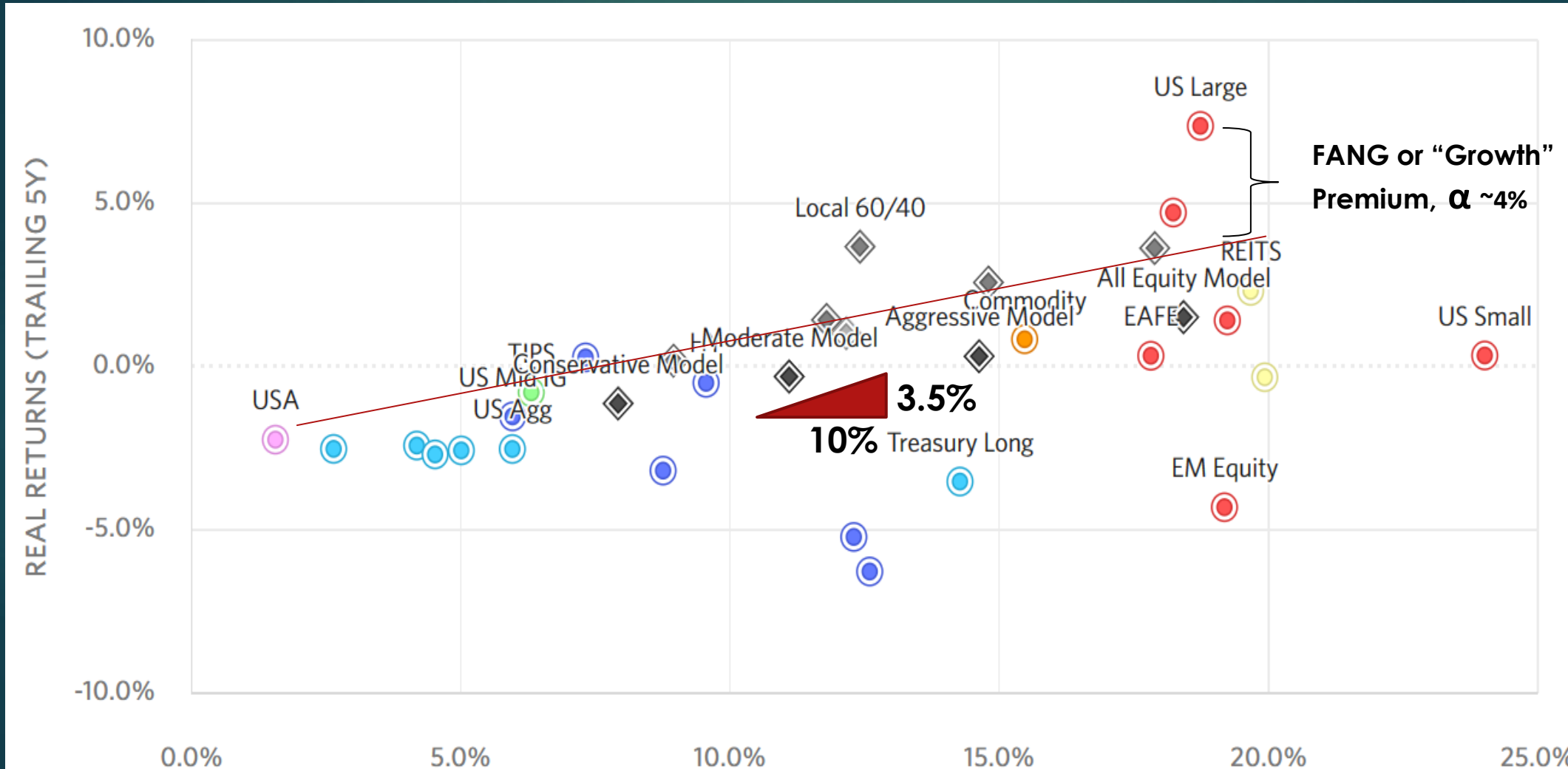


Source: Research Affiliates, (3 year trailing nominal return\*, risk indicated by  $\delta$ )

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# 5 year Trailing - Real Return vs Risk

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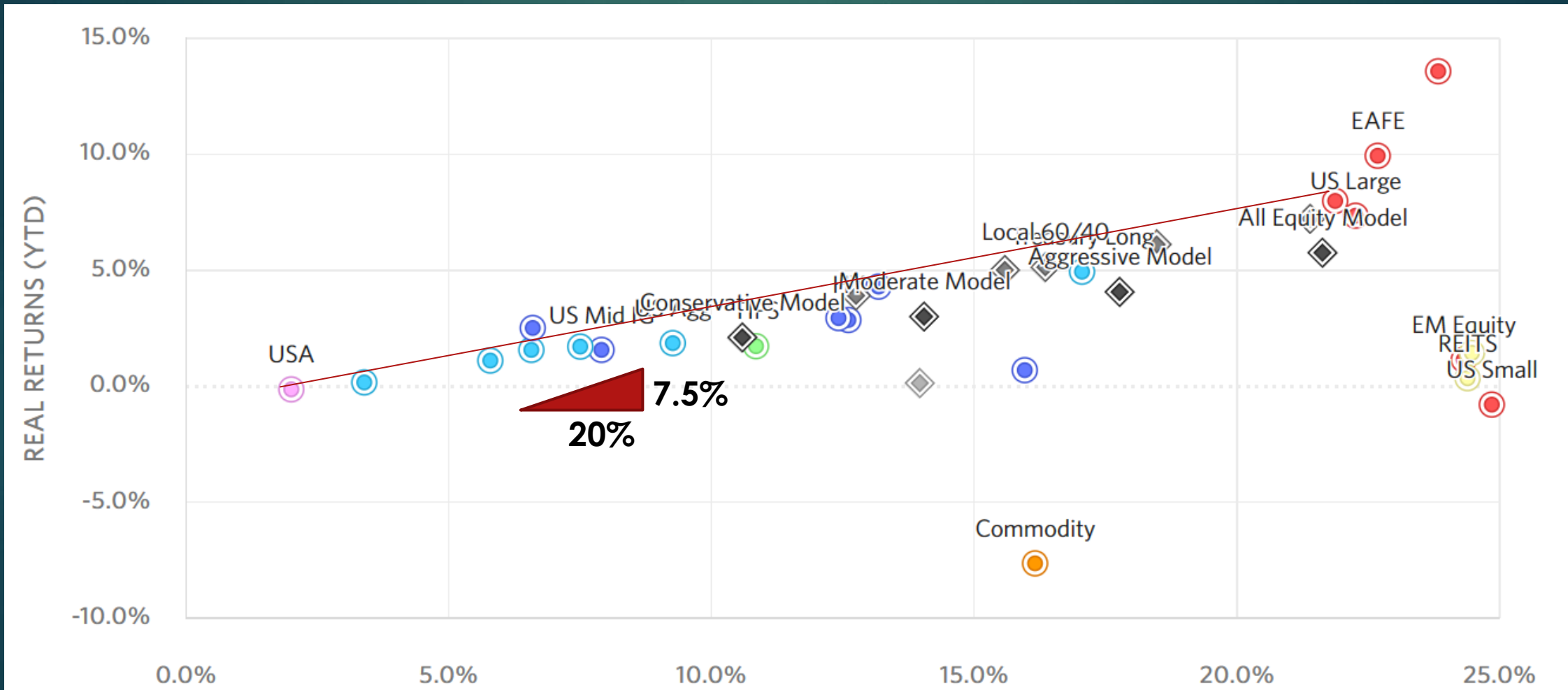


Source: Research Affiliates, (Trailing 5 year real return\*, risk as indicated by  $\delta$ )



# Trailing YTD 2023 - Real Return vs Risk

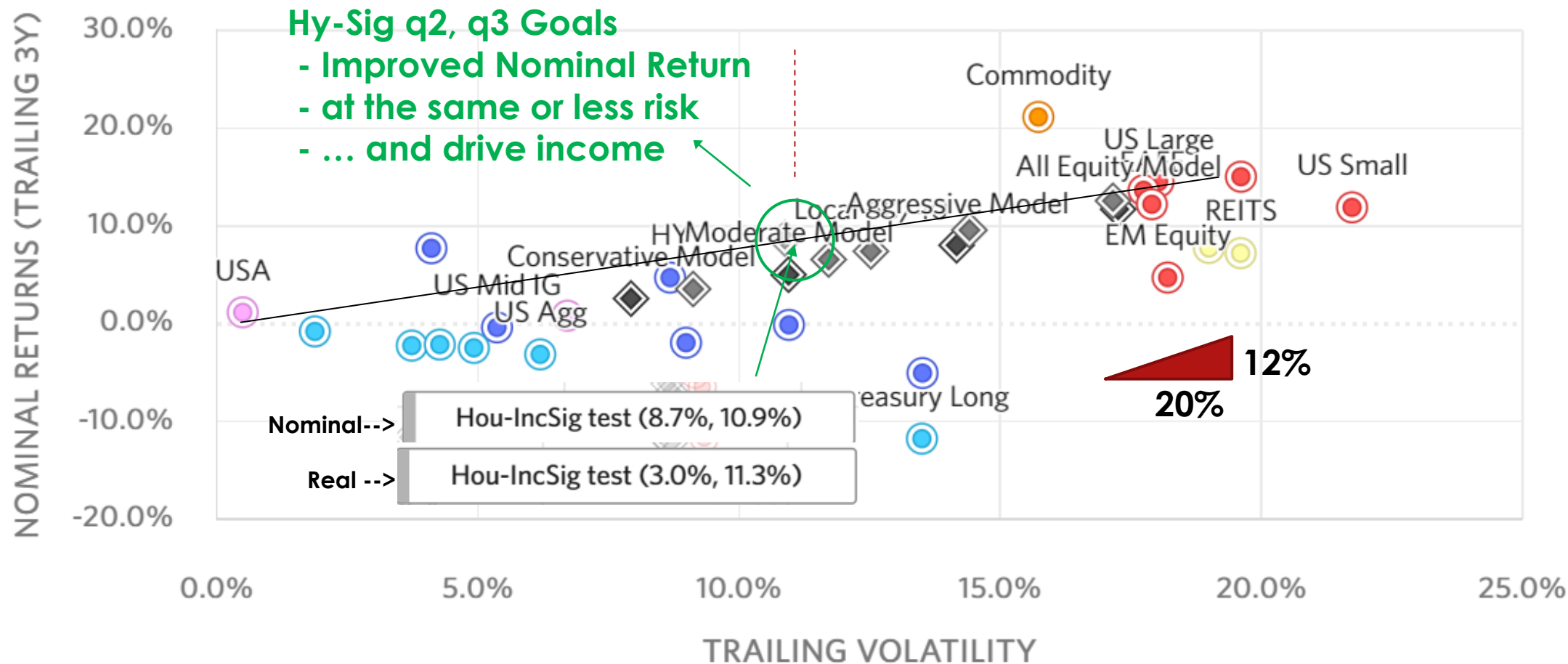
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Source: Research Affiliates, (YTD year real return\*, risk as indicated by  $\delta$ )

# Forward 3 yr - Risk & Return vs Asset Classes

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# *Income SIG – Hy-Inc - May 20, 2023*

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- ▶ 1. BASELINE & UPDATE
- ▶ 2. MARKET OUTLOOK
- ▶ 3. ASSET ROTATION / PROSPECTS
- ▶ 4. POSITIONS / NEXT STEPS

# BASELINE & UPDATE – HYbrid INCome

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ASSET  
PREServation

- Volatility

- Drawdown

Update for May 20 2020				5/10/2023				Div & Interest		OPTIONS - May 2023		
ASSET CLASS	ASSETS			<u>\$ Total</u>	<u>\$ Basis</u>	<u>\$ Price Gain (loss)</u>	<u>%</u>	<u>q1 \$ div, \$int</u>	<u>ppa %</u>	<u>\$ prem</u>	<u>days</u>	<u>opt return% / yr</u>
CRISIS Hedge	Gold	s			\$ 107,934	\$ 14,509	13.4%	\$ 356	1.3%	\$ 513		#VALUE!
		sp										
GOVT ST BILLS	13 wk tbills and ibonds	s			\$ 262,598	\$ -		\$ 3,154	4.8%			
		sp										
ETF & Company Shares	Equities	s			\$ 313,251							
		sp										
CASH		s		ex options, bought EDG	\$ -							
		sp										
TOTAL		s			\$ 748,158	\$ 683,783	\$ 36,849 5.4%	\$ 7,364 3.94%		\$ 2,690	#VALUE!	

INCome GENeration – Buy Backs, Dividends, Interest & Option Income

# HyInc BASELINE – May Div/Option Sources

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TICK	Company	Raw Return (a) Option	b) Annual Return (a) + Dividend	(c) Hy-Inc Return (b) + Buyback	Prob of Win p (< strike)
				<b>14%</b>	<b>79%</b>
EMR	Emerson Electric Co	7.37%*/0.43%	9.88%*	14.6%	82%
KLAC	KLA Corporation	12.33%*/0.70%	13.61%*	20.0%	79%
MDT	Medtronic PLC	8.36%*/0.49%	11.40%*	12.8%	86%
MMM	3 M Company	8.96%*/0.52%	14.88%*	16.1%	75%
STX	Seagate Technology	12.77%*/0.73%	17.66%*	25.2%	82%
RHHBY		na			
MRK	Merck & Company	7.02%*/0.41%	9.43%*	9.5%	80%
EPD	Enterprise Products	3.20%*/0.31%	3.20%*	3.7%	83%
WLKP	Westlake Chemicals	2.43%*/0.24%	2.43%*	2.4%	75%
FNV	Franco Nevada	8.38%*/0.77%	9.22%*	9.2%	84%
GOLD	Barrick Gold	12.60%*/0.68%	14.70%*	15.9%	84%
PXD	Pioneer Natural Resources	7.27%*/0.54%	9.18%*	13.2%	79%
EOG	Enron Oil and Gas	13.47%*/0.73%	16.28%*	16.8%	81%
KMI	Kinder Morgan Energy	9.24%*/1.02%	15.92%*	17.2%	71%
DUK	Duke Energy Corp	11.96%*/1.09%	17.10%*	17.1%	67%

# OUTLOOK – 75 dma PRICE “SENTIMENT”

14 bullish weeks .. 6 bear weeks, April bulls .. May Bears

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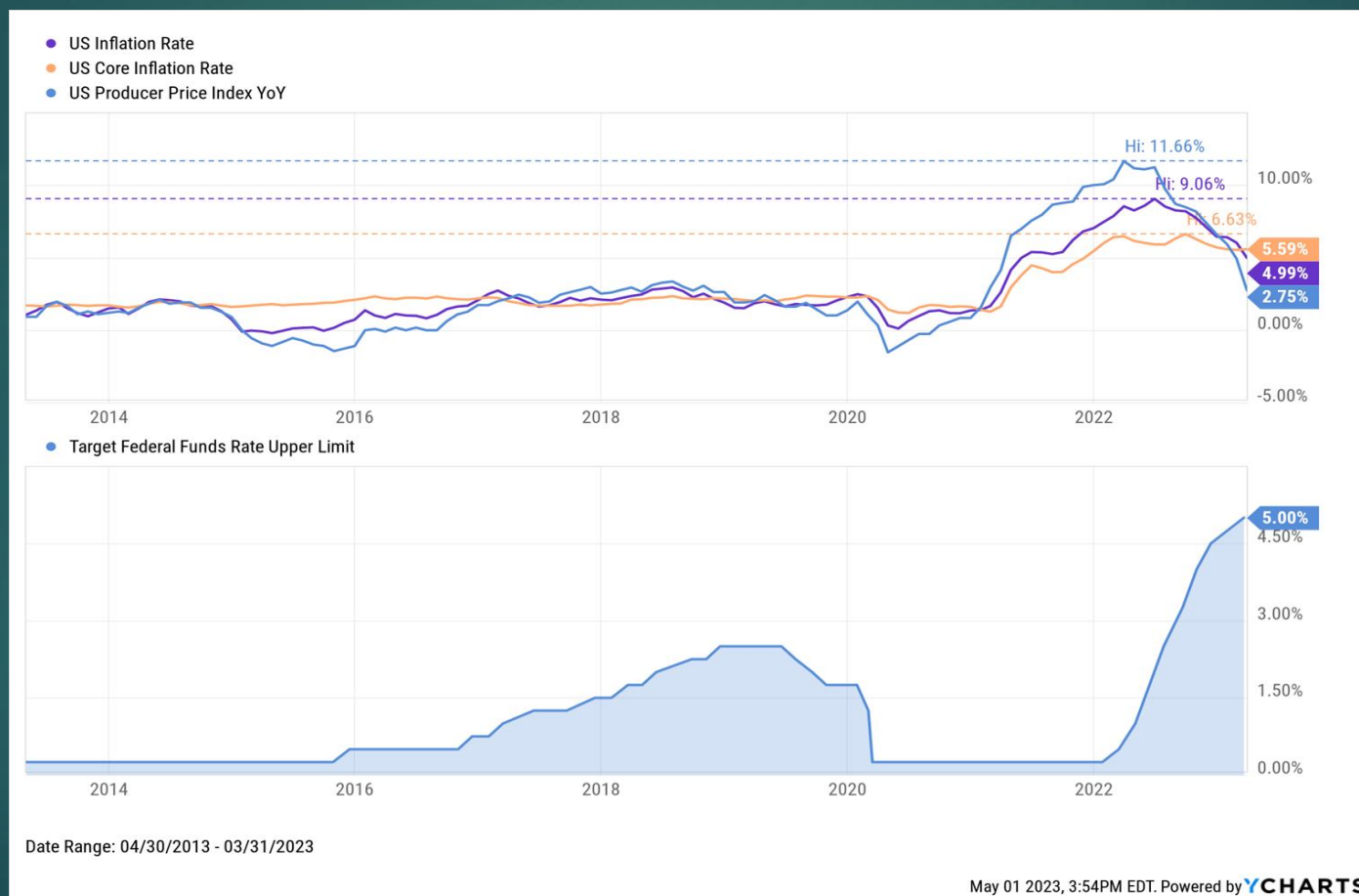


## Delta Market Sentiment:

- This week's price for 1800 stocks
- Percent above or below 75 dma
- > 47% "Deadband" < 53%  
not a definitive indicator

# OUTLOOK – Inflation & Fed Funds Rates

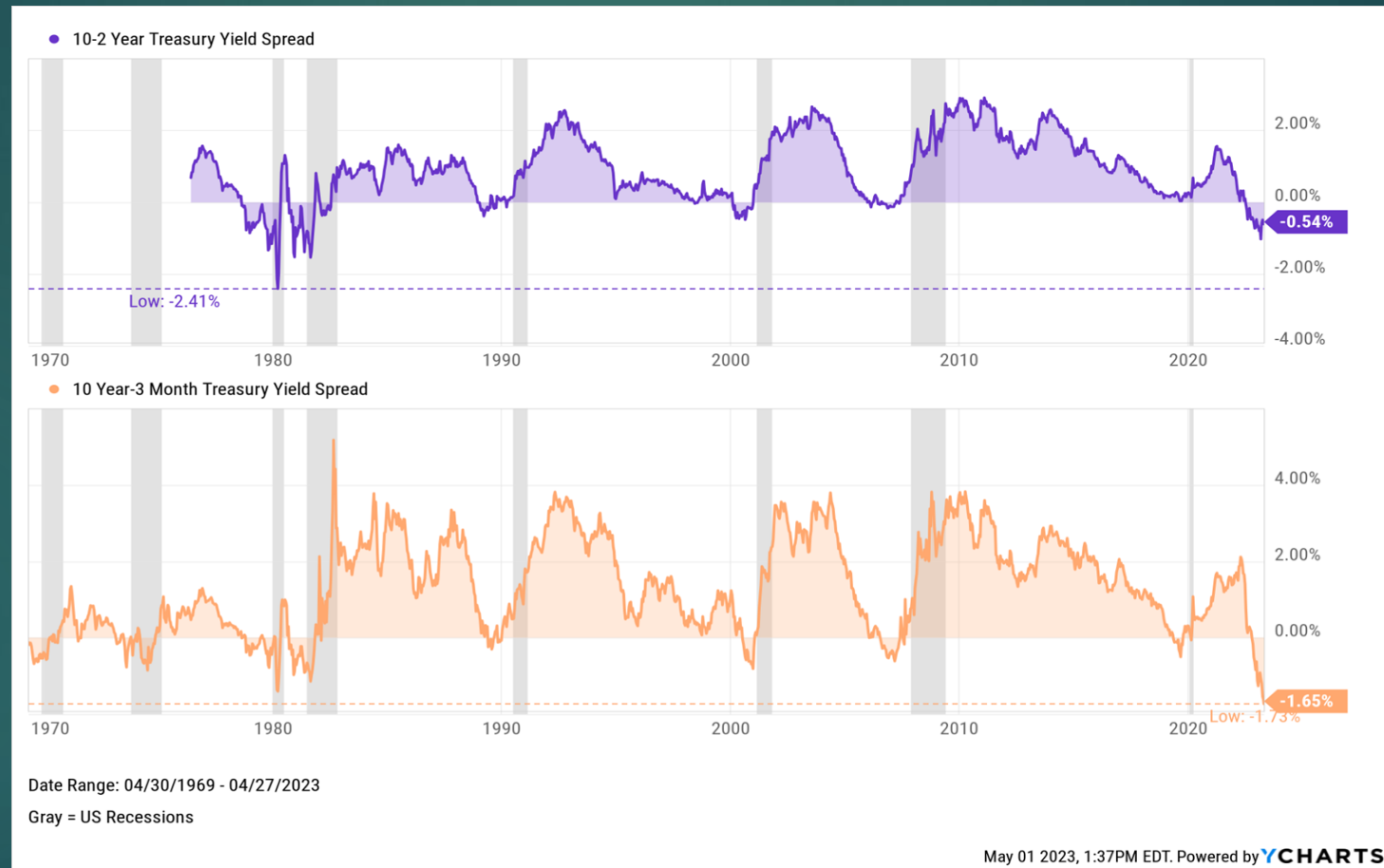
13



Source: Y-Charts

# OUTLOOK - Inverted Yields Signal a Recession

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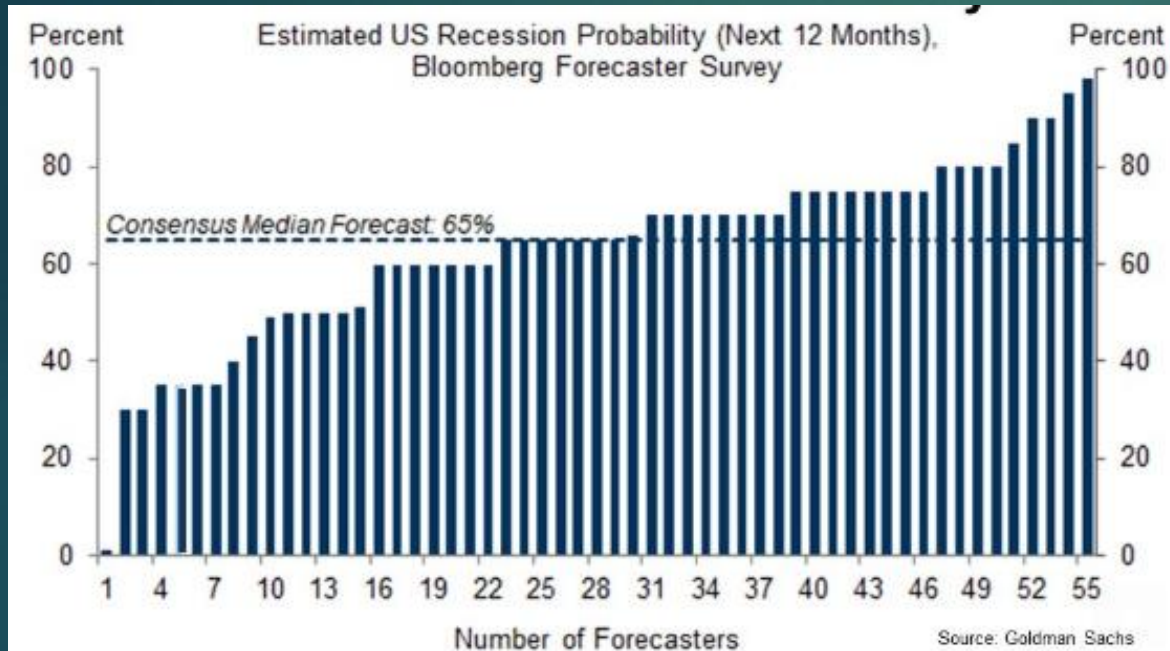
Source: Y-Charts



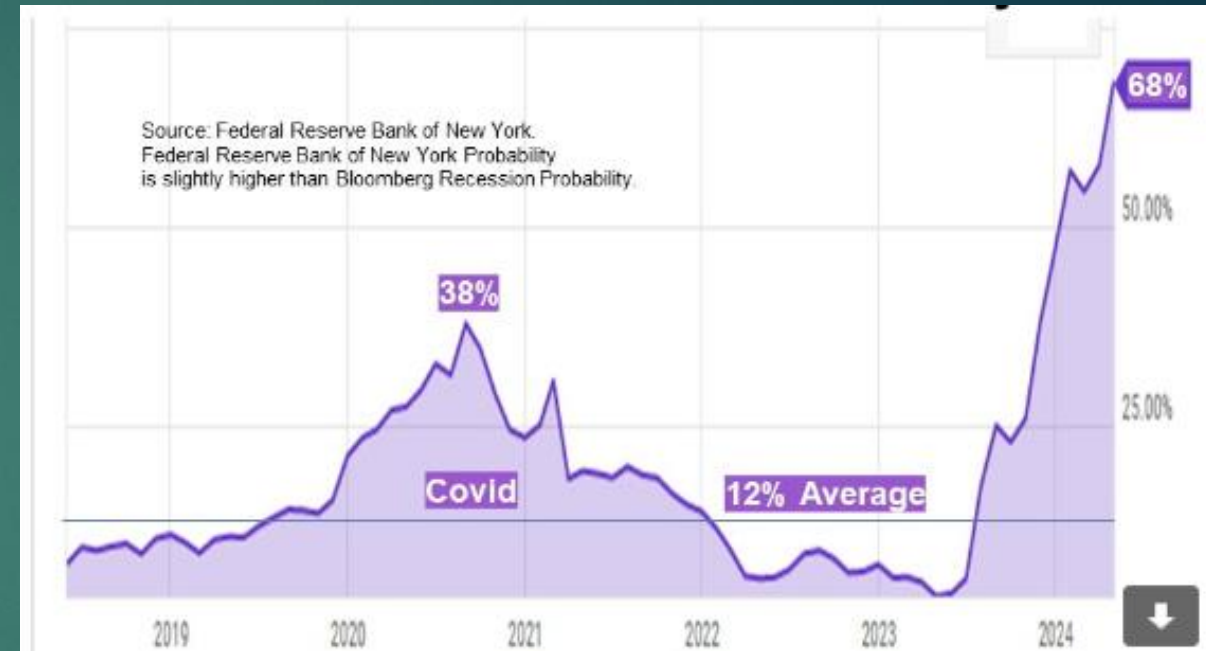
# OUTLOOK – Recession Probabilities

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## Goldman Sachs - Bloomberg



## Fed Bank of New York



Source: Delta Investments, Bloomberg/Goldman, Fed BoNY Outlook

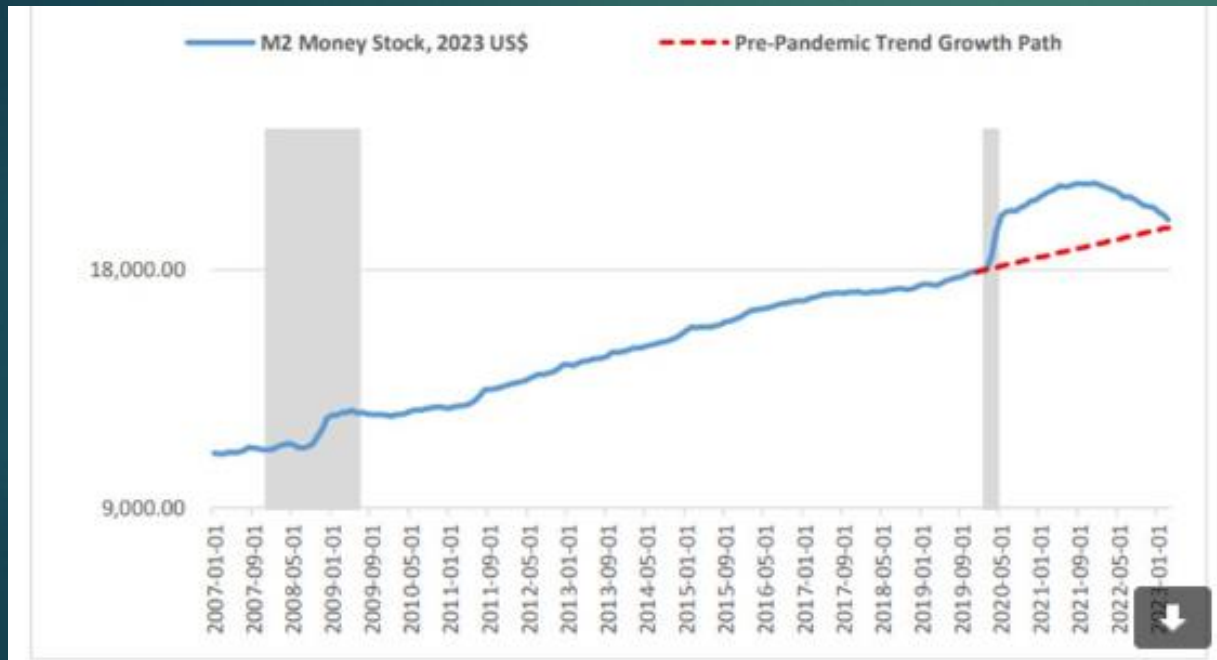
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# OUTLOOK – M2 Under Repair

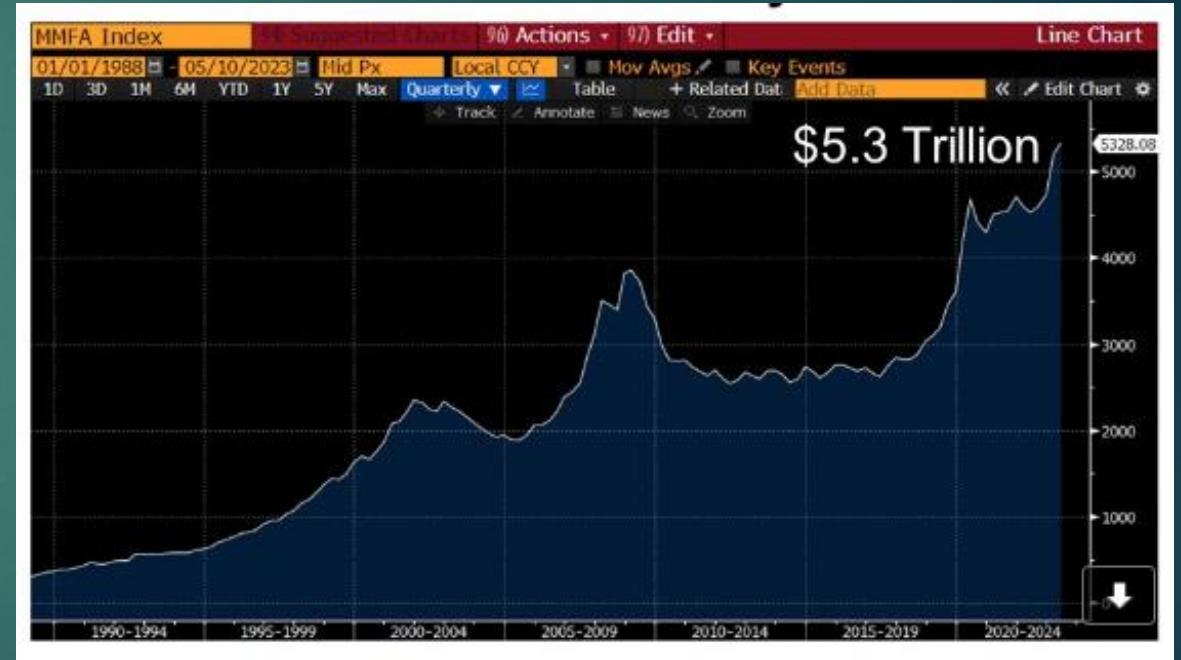
... while the Money Market Waits to Jump

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M2 – Normalization of Money Supply



Money Market (Turbo-Blast) at \$5T!!!



Source: Delta Investments, Bloomberg/Goldman, Fed BoNY Outlook

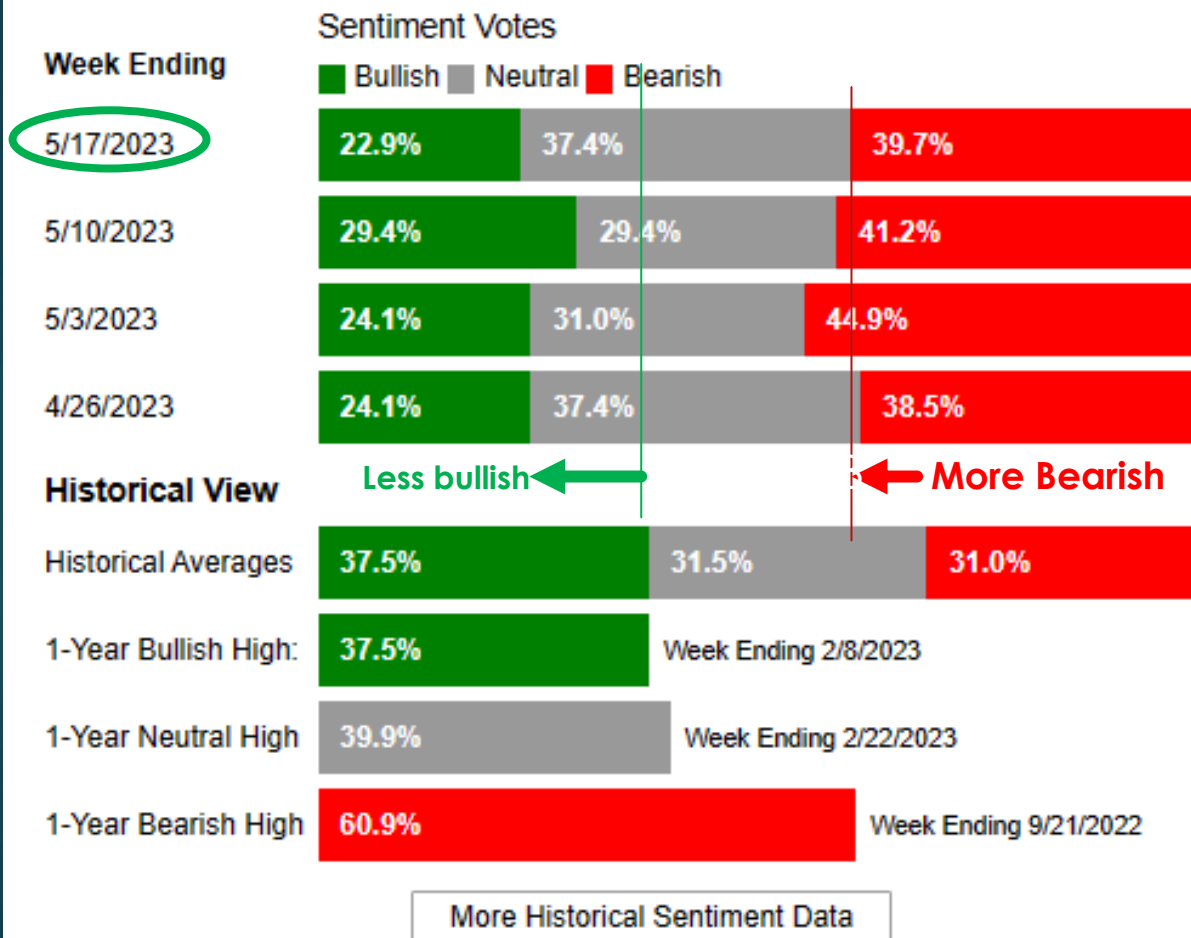
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# OUTLOOK – AAI 6 mo Investor Sentiment

.. Improving .. Sort of

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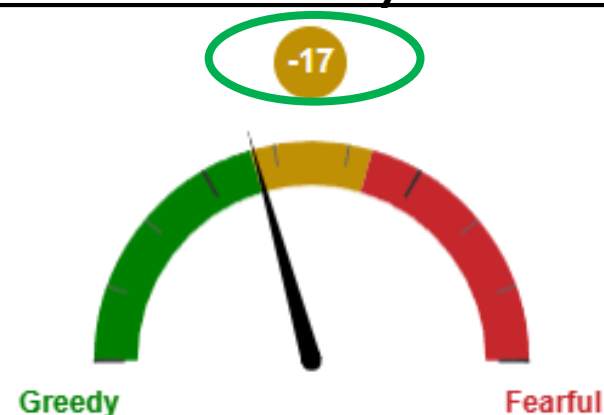
## AAI as Direct Sentiment Indicator



## CURRENT AAI SENTIMENT BULL-BEAR SPREAD:

The Sentiment Survey is a contrarian indicator. Above-average market returns have often followed unusually low levels of optimism, while below-average market returns have often followed unusually high levels of optimism. Click [here](#) to learn more.

## AAI as a Contrary Indicator



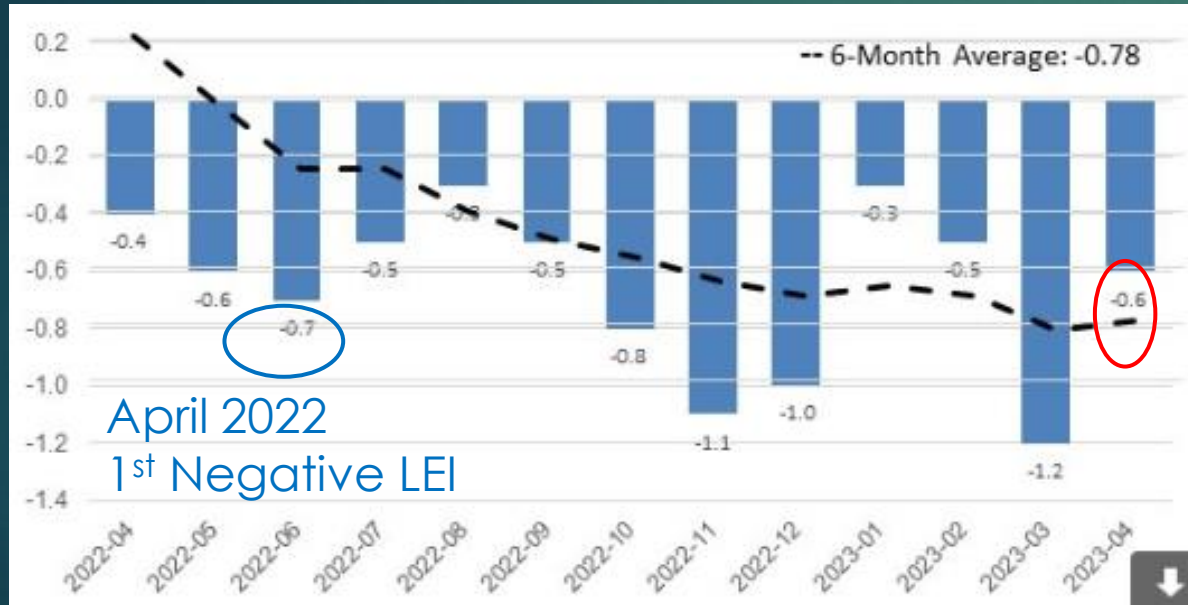
## BULL-BEAR SPREAD TRENDS:



# OUTLOOK – Macro Mixed Signals

## Conference Board - LEI

LEADING Economic Indicators (April YoY)

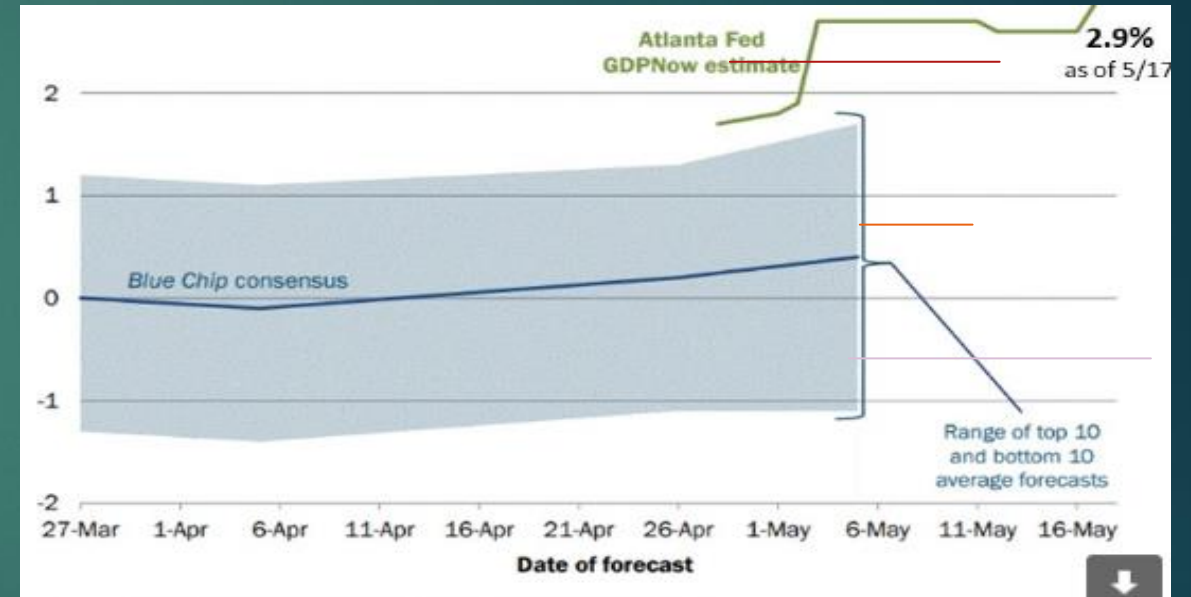


## Atlanta Fed – GDPNow for Q2 2023

The Feds less  
“Blue Chip” Forecasts

vs high  
-140 bps

vs avg  
+260bps



Source: Delta Investments  
BlueChip Economic Indicators and Blue-Chip Financial Forecasts



# OUTLOOK – SPY 2 year to May 08

Recovery (short term) - at 2yr Resistance

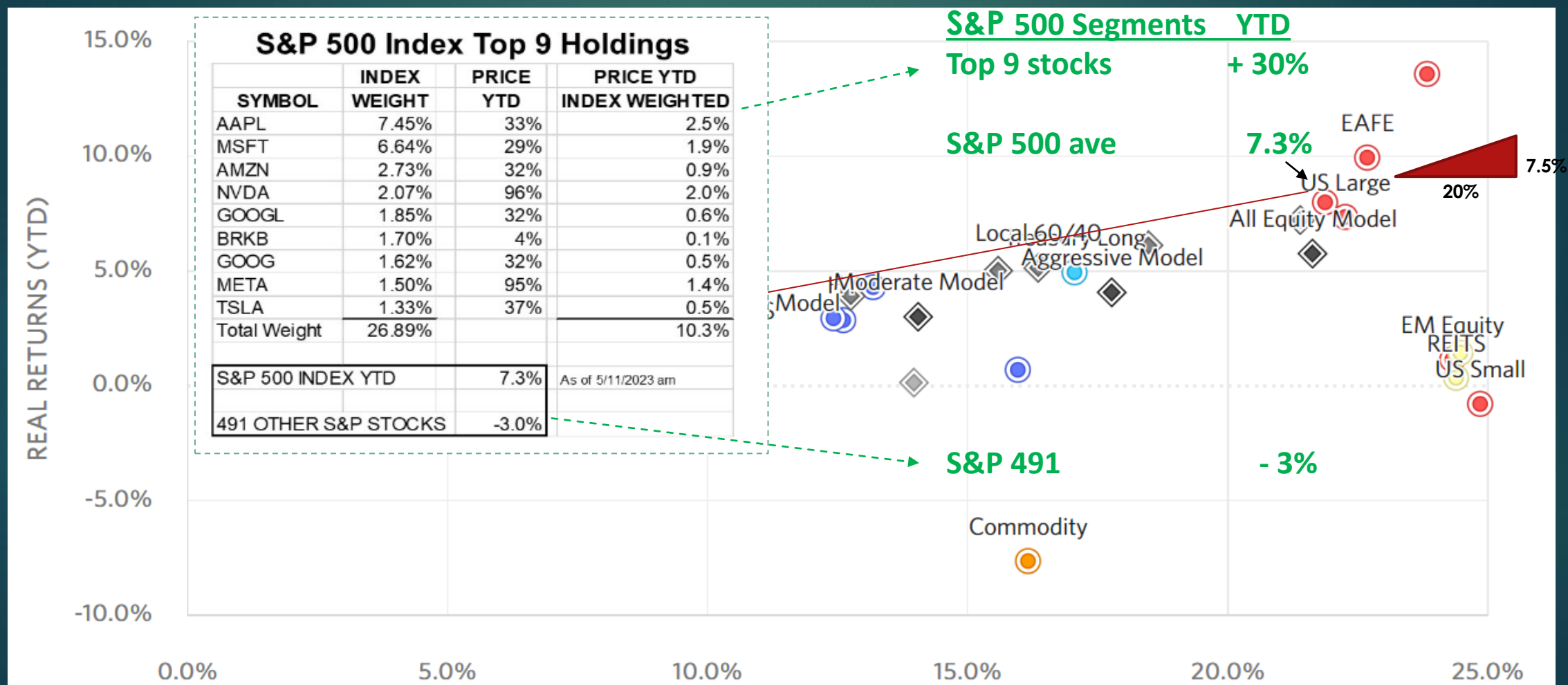
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**SPY**  
**\$/sh**  
**412-5/08**  
**403-50dma**  
**393-200dma**

# Trailing YTD - Real Return vs Risk, S&P 500 Segments

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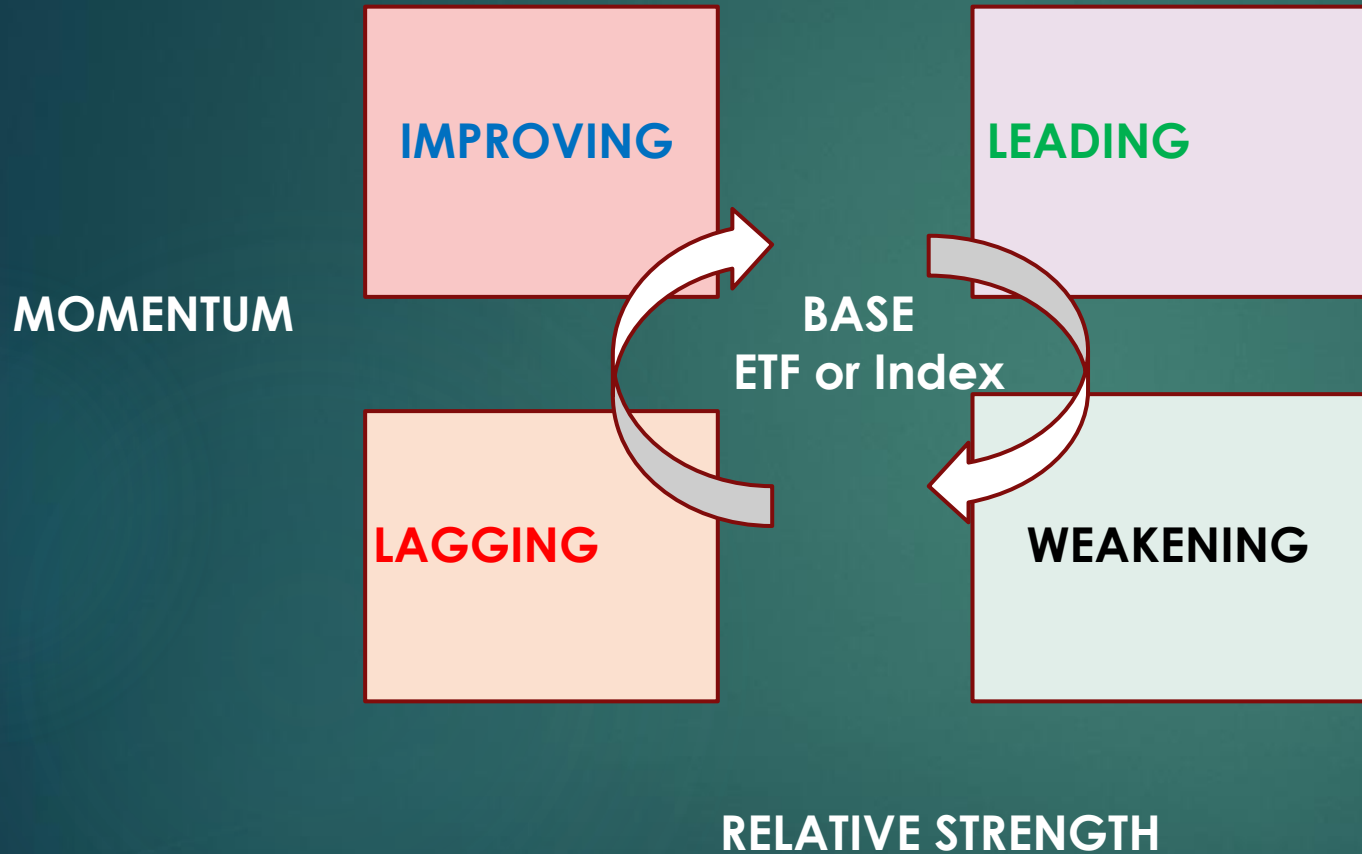
Source: Research Affiliates, (YTD year real return\*, risk as indicated by  $\delta$ )

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# PROSPECTS – The Hy-Inc Challenge

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## How to Harvest?

Clip Coupons  
Rotate Assets  
- Options In / Out

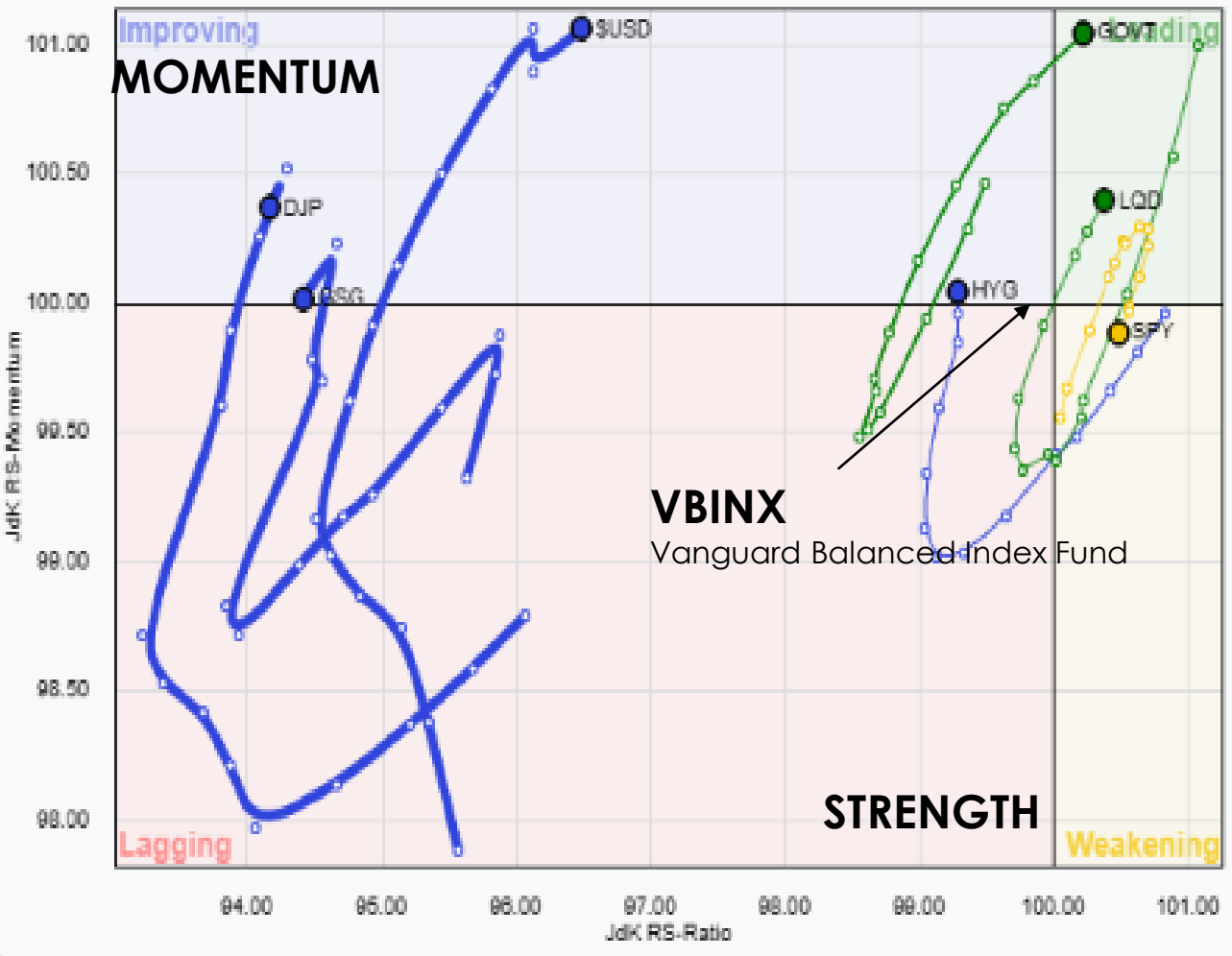
## Where to Invest?

Asset Class  
Asset Cap  
Sector  
Industry  
Company

# PROSPECTS - RRG & ASSET CLASSES?

Time: 13wks Indicator: Price Movement, Leader: Bonds

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\$BTCUSD
GOVT
LQD
DJP
GSG
\$USD
HYG
SPY
VBINX

Bitcoin USD  
Bond US Treasury  
Bond Corp Invest Grade  
Commodity Index Total  
Commodity Index Trust  
USD Cash Settle  
Bond Corporate HY  
SPY S&P 500  
Balanced Index Fund

13 wks		
23.7	Best	
2.4		
1.5		
-7.1		
-8.9	Mid	
-1.0		
1.0		
1.3	Low	
0.7		



# PROSPECTS - WHICH ASSET CLASS?

Time: 1-3 yr comp, Indicator: Risk/Ret, Leader: Stocks

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A longer term look at 1-3 year return vs risk presents the opposite ranking as the 13 week pricing.

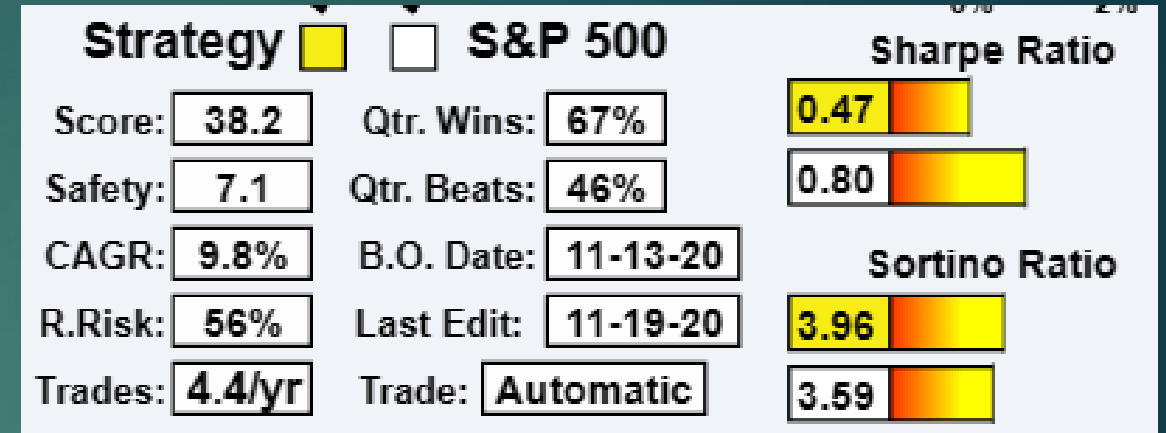
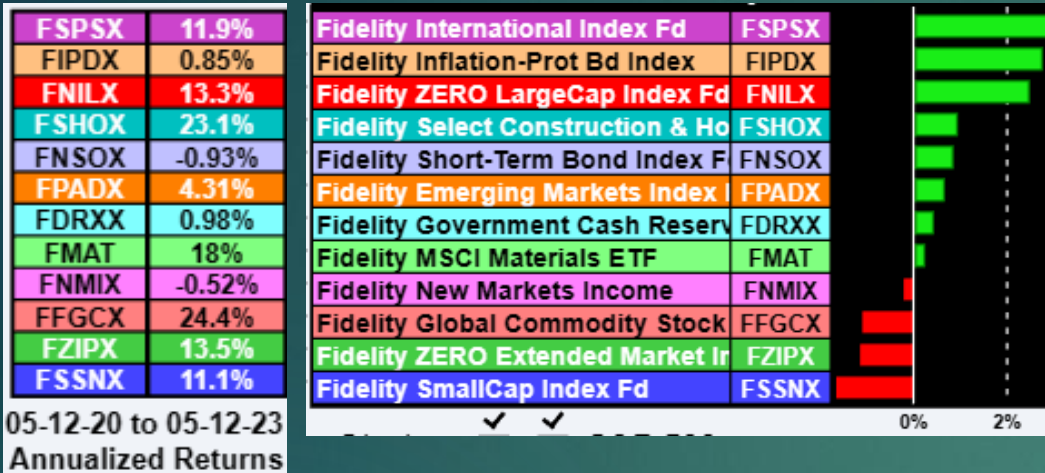
tick	Name	Category	Ret / Risk	RETURN							Category	
				1mo	3mo	YTD	1yr	1-3yr comp	3yr	5yr	Risk Index	Total Risk Index
SPY	SPDR® S&P 500 ETF Trust	Large Blend	7	1.6%B	2.7%B	9.1%B	2.6%B	8.3	14.4%B	11.4%B	1.01C	1.19
GSG	iShares S&P GSCI Commo	Commodities Broad Basket	6	-0.8%C	-5.8%F	-6.0%D	-16.3%D	8.5	33.0%A	2.7%F	1.23F	1.4
VBINX	Vanguard Balanced Index I	Moderate Allocation	5	0.9%D	1.0%B	6.4%A	0.7%C	3.8	6.9%C	6.9%A		0.84
HYG	iShares iBoxx \$ High Yield	High Yield Bond	3	0.8%D	0.3%D	4.3%C	0.8%C	2.0	3.2%F	2.4%D	1.13D	0.61
DJP	iPath® Bloomberg Cmdty T	Commodities Broad Basket	2	-0.9%C	-6.6%F	-7.1%F	-19.2%F	2.5	24.4%C	4.6%C	1.05F	1.2
LQD	iShares iBoxx \$ Invmt Grac	Corporate Bond	-1	0.7%D	0.2%D	5.2%A	0.7%C	-0.7	-2.6%F	2.1%B	1.24F	0.67
GOVT	iShares US Treasury Bond	Intermediate Government	-6	0.5%C	1.1%C	3.9%A	-0.9%F	-2.0	-4.3%F	0.9%C	0.98C	0.36

Source: AAll+ Data Base, Hybrid Analysis

# PROSPECTS – 3 ytd Diversified Assets

Time: 6weeks, Indicator: Momo Algo, Leader; Int?

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Sharpe = (Portfolio-Risk Free)/ Fund Stdev

Sortino = (Port – Risk Free)/ Fund Stdev\*

\*Downturns Only

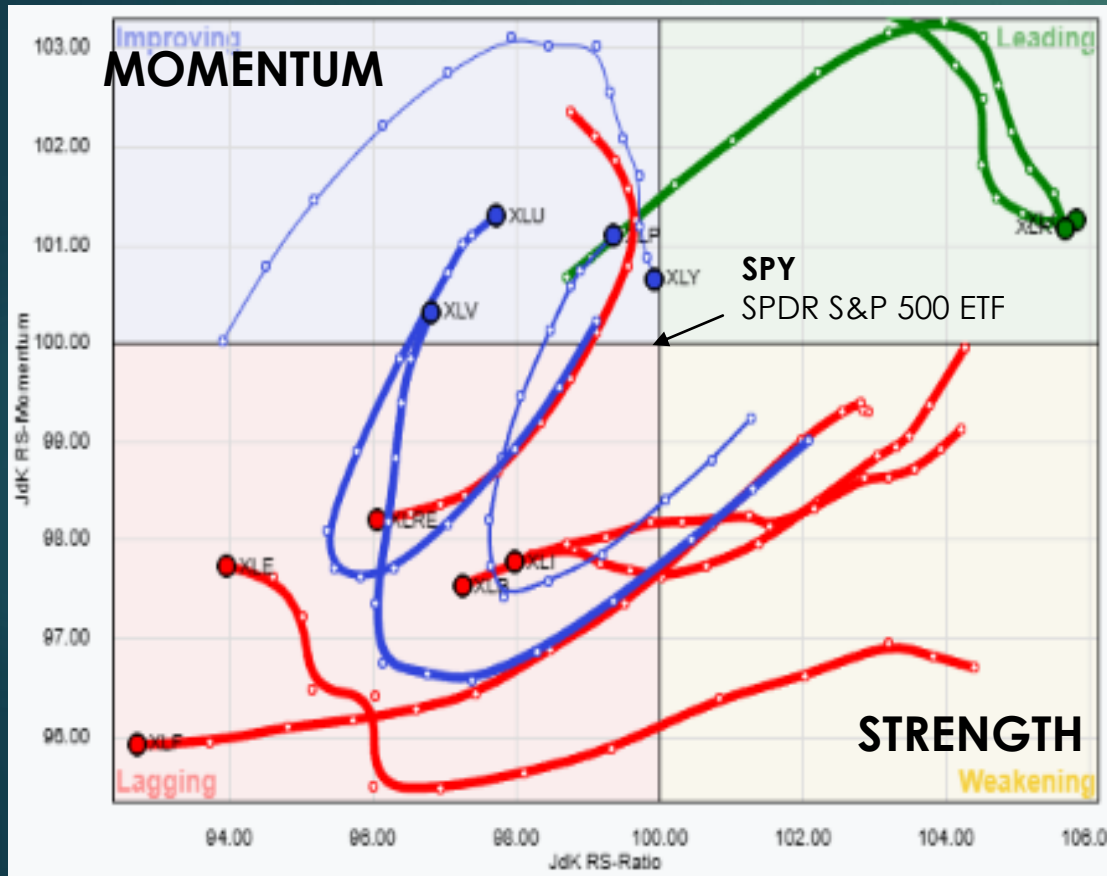
Rel Risk = Downside StdDev (Port / Market)

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# PROSPECTS

EQUITY SECTORS? – 13wk favors XLC, XLK

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Communication Services Select Sector	0.8
Technology Select Sector	1.5
Health Care Select Sector	-1.8
Utilities Select Sector	0.2
Consumer Staples Select Sector	2.6
Consumer Discretionary Select Sector	0.6
Financial Select Sector	-3.0
Energy Select Sector	-10.0
Real Estate Select Sector	1.3
Materials Select Sector	-3.5
Industrial Select Sector	-1.4
SPDR S	-0.2

4 wk %

Ticker

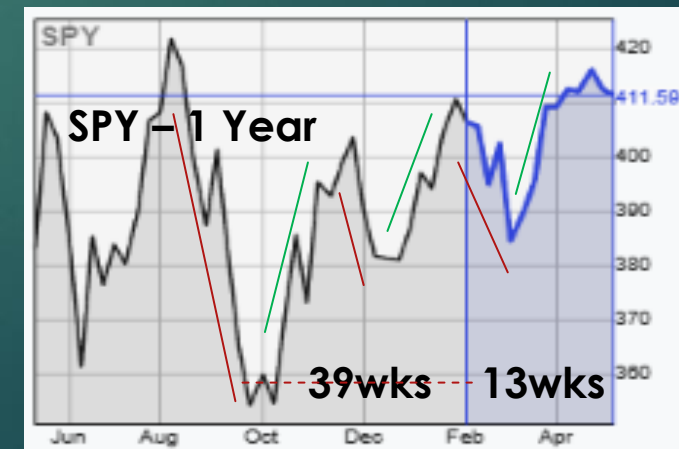
13 wks %

XLC	8.9
XLK	7.8
XLV	0.2
XLU	2.7
XLP	6.2
XLY	0.1
XLF	-12.1
XLE	-12.0
XLRE	-6.9
XLB	-4.4
XLI	-3.2
SPY	1.3

Best 13 wk

Mid 13wk

Lowest 13 wk





# PROSPECTS - EQUITY SECTORS?

1-3 yr comps, Risk vs Return, Leaders: **XLE, XLI**

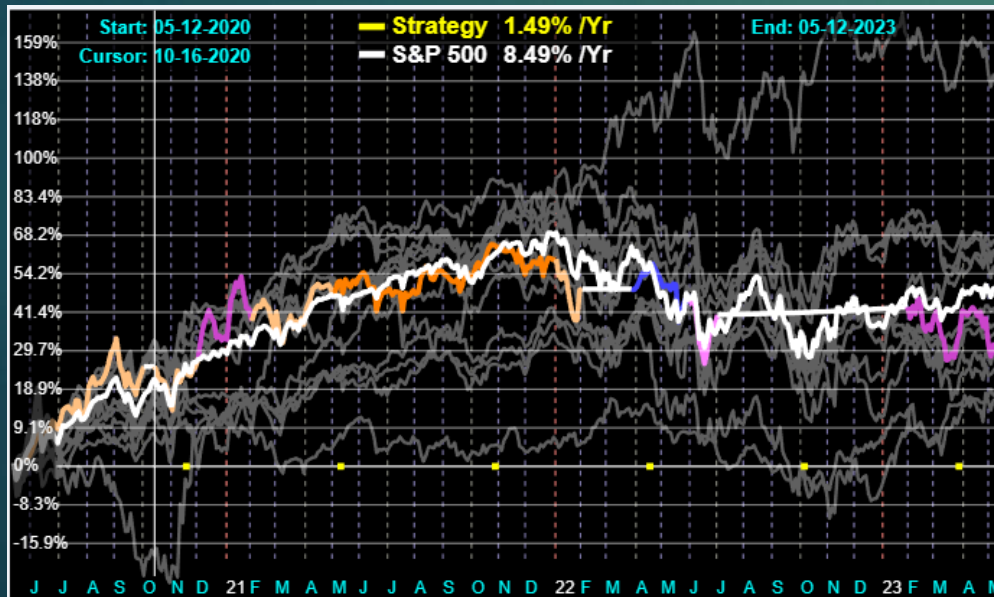
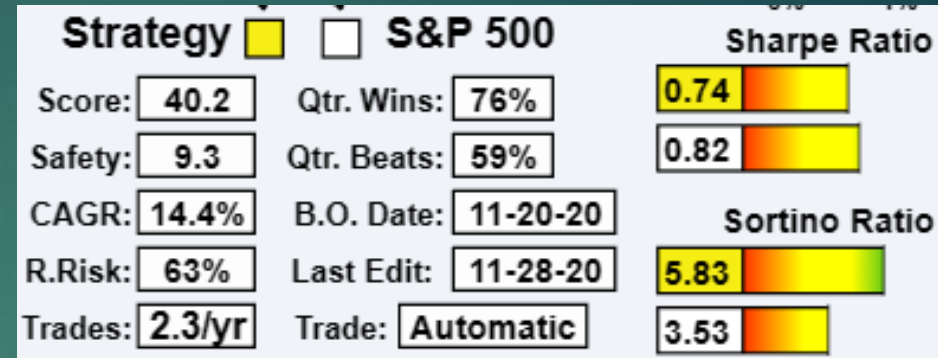
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tick	Name	Category	Ret / Risk	RETURN							Category	
				1 mo	3 mo	YTD	1 yr	1-3yr comp	3 yr	5 yr	Risk Index	Total Risk Index
XLE	Energy Select Sector SPDR® ETF	Equity Energy	12	2.8%A	-4.3%A	-1.8%B	18.0%A	27.5	37.1%C	8.2%A	0.90C	2.30
XLI	Industrial Select Sector SPDR® ET	Industrials	9	-1.2%D	-1.4%B	2.2%F	7.0%B	12.0	17.7%B	8.7%B	0.90B	1.36
XLK	Technology Select Sector SPDR®	Technology	9	-0.1%A	11.1%A	21.5%A	7.7%A	13.4	19.2%A	19.5%A	0.89B	1.57
XLV	Health Care Select Sector SPDR®	Health	8	3.1%C	0.5%B	-1.4%D	4.1%C	7.6	11.9%A	12.1%A	0.74B	0.99
XLP	Consumer Staples Select Sector !	Consumer Defensive	7	3.6%A	5.5%A	4.3%C	2.3%D	7.2	12.8%F	11.9%A	0.98D	0.97
SPY	SPDR® S&P 500 ETF Trust	Large Blend	7	1.6%B	2.7%B	9.1%B	2.6%B	8.3	14.4%B	11.4%B	1.01C	1.19
XLB	Materials Select Sector SPDR® ET	Natural Resources	5	-0.1%B	-4.5%B	4.1%B	-3.1%C	7.5	18.1%D	9.4%B	0.86B	1.4
XLF	Financial Select Sector SPDR® ET	Financial	5	3.2%A	-8.8%C	-2.6%C	-1.9%B	7.0	15.7%B	6.1%B	0.92B	1.44
XLU	Utilities Select Sector SPDR® ETF	Utilities	4	1.9%A	0.5%B	-1.5%D	-0.3%D	4.9	9.7%B	9.4%B	1.01F	1.18
XLC	Communication Services Sel Sect	Communications	3	3.3%A	9.1%A	25.2%A	2.4%A	4.7	6.9%B	na	1.03D	1.49
XLY	Consumer Discret Sel Sect SPDR®	Consumer Cyclical	0	-1.2%D	-0.3%B	14.8%B	-8.4%D	0.6	9.1%D	8.5%B	0.90B	1.62
XLRE	Real Estate Select Sector SPDR®	Real Estate	-3	1.0%B	-6.4%B	2.9%C	-16.0%C	-4.5	7.0%C	7.7%A	0.93C	1.32



# PROSPECTS – 3 ytd US Equity Sectors

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Sharpe = (Portfolio-Risk Free)/ Fund Stdev

Sortino = (Port – Risk Free)/ Fund Stdev\*

\*Downturns Only

Rel Risk = Downside StdDev (Port / Market)

# ***HY-INC - POSITIONS - NEXT STEPS***

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## ▶ **ASSET PRES**ervation

- ▶ \$75k fr Tbills to Gold (equities)
- ▶ \$75k fr Marginal Equity to HYG or Equivalent

## ▶ **INCOME GEN**eration

- ▶ Formal Screening – Div Stocks, Buybacks, OptInc
- ▶ Option Harvest - June
- ▶ High Grade Screening – Dividends, BuyBacks, Options

## *By Now, You should be able to Implement these Concepts*

- ▶ Asset diversification
- ▶ Asset selection & highgrading
- ▶ Income orientation
- ▶ Take advantage of fixed income & high yield dividends
- ▶ Take advantage of buybacks & safe option income
- ▶ Evaluate your returns vs this model

▶ *QUESTIONS*

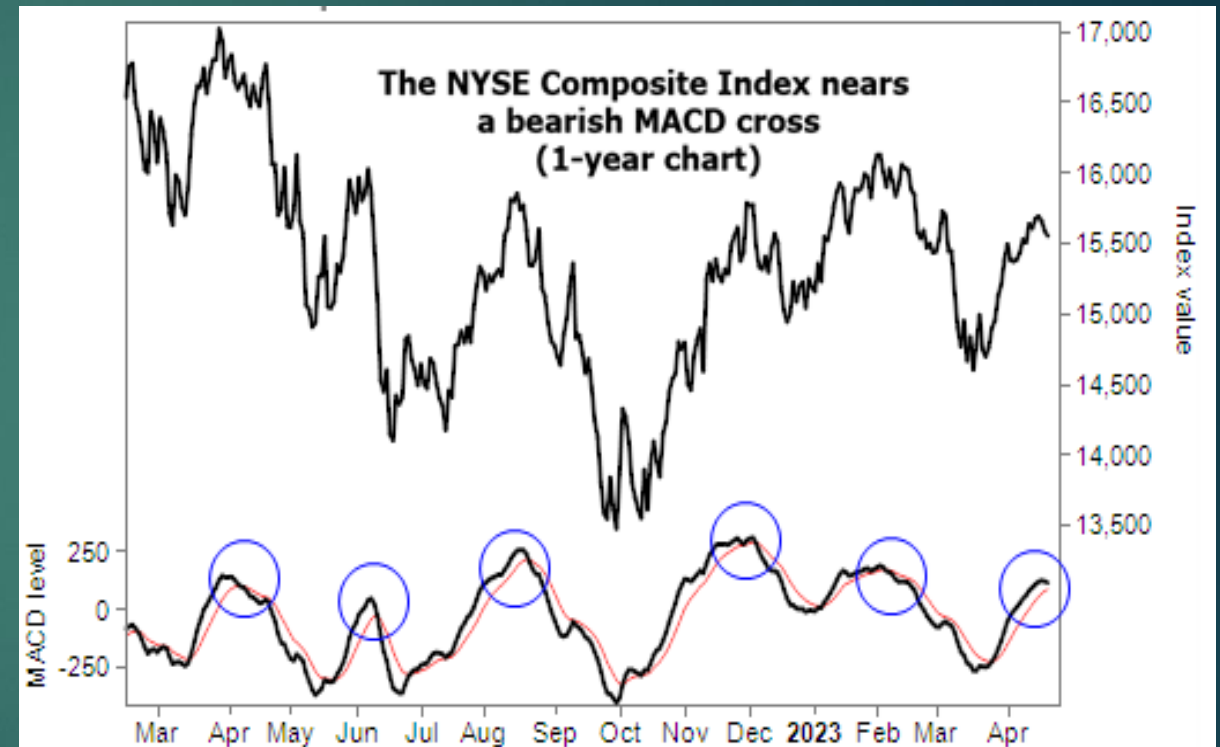
▶ *ANSWERS*

▶ *COMMENTS*

# Appendix

## Outlook – NYSE Technical Bear

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# Appendix - SECTORS? – Return vs Risk

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	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5		Capture Ratios	Upside	Downside	Ddown Max
GLD	1.72	0.15	2.86	0.25	15.47		GLD	11	0	-17.34
Commodities Focused	-0.06	0.79	25.24	0.43	27.67		Commodities Focused	71	82	-16.68
Bloomberg Commodity Trust	—	—	—	0.83	17.93		Bloomberg Commodity Trust	—	—	-18.48
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5		Capture Ratios	Upside	Downside	Ddown Max
ENFR	6.09	1.48	57.95	0.52	38.68		ENFR	131	122	-47.29
Energy Limited Partnerships	8.6	1.48	54.6	0.55	40.25		Energy Limited Partnerships	130	114	-48.28
Mstar MLP Composite	14.77	1.72	44.43	0.6	51.41		Morningstar MLP Composite	142	116	-58.09
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5		Capture Ratios	Upside	Downside	Ddown Max
YNQ	-5.44	1.08	43.32	0.2	23.47		YNQ	101	124	-29.25
Real Estate	-5.36	1.09	78.99	0.2	24.32		Real Estate	100	123	-28.55
Mstar Real Estate InvTrst	-5.89	1.09	83.17	0.18	23.7		Mstar Real Estate InvTrst	101	125	-28.84
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5			Upside	Downside	Ddown Max
SPY	-0.03	1	100	0.6	20.74		SPY	100	100	-23.87
Large Blend	-0.45	1.38	35.35	0.57	20.83		Large Blend	97	98	-23.3
Mstar US LM Inv Trust	-0.58	1.02	99.77	0.58	21.2		Mstar US LM Inv Trust	100	102	-24.91
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5			Upside	Downside	Ddown Max
XLE	20.8	1.42	40.81	0.77	44.28		XLE	150	96	-44.31
Equity Energy	18.71	1.62	45.87	0.71	47.95		Equity Energy	160	121	-48.01
Mstar US Enrg Capped	21.14	1.46	42.36	0.78	44.76		Mstar US Enrg Capped	154	99	-45.85
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5			Upside	Downside	Ddown Max
XLU	0.13	0.56	34.85	0.29	18.79		XLU	61	64	-18.74
Equity Utility	-1.08	0.65	49.04	0.27	18.5		Equity Utility	66	72	-19.3
Mstar US Utility	-0.03	0.57	38.03	0.29	18.49		Mstar US Utility	62	65	-19.01
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5		Capture Ratios	Upside	Downside	Ddown Max
XLV	6.47	0.65	59.65	0.75	16.58		XLV	86	66	-13.12
Equity Health Care	0.36	0.77	56.29	0.41	20.85		Equity Health Care	76	78	-25.62
Mstar US Health Care	5.01	0.67	64.65	0.68	16.64		Mstar US Health Care	83	68	-15.22
	Alpha	Beta	B2	Sharpe_Ratio	Stdev_5		Capture Ratios	Upside	Downside	Maximum
YBINX	0.97	1.02	96.03	0.37	14.47		YBINX	108	104	-20.85
Allocation 50-70% Equity	0.99	1	92.73	0.36	14.51		Allocation 50-70% Equity	105	101	-18.54
Mstar US Mod Target	—	—	—	0.36	13.81		Mstar US Mod Target	—	—	-20.14



## Appendix – PEAK FFR

*... continued inflation ... continued hikes?*

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Tightening Cycle	Fed Funds Peak	Date	CPI	Real Fed Funds
1973	11.00%	8/30/1973	7.40%	3.60%
1976-1980	20.00%	3/3/1980	14.80%	5.20%
1980	20.00%	12/5/1980	12.50%	7.50%
1983-1984	11.75%	8/24/1984	4.30%	7.45%
1986-1989	9.75%	2/24/1989	4.80%	4.95%
1994-1995	6.00%	2/1/1995	2.90%	3.10%
1999-2000	6.50%	5/16/2000	3.20%	3.30%
2004-2006	5.25%	6/29/2006	4.30%	0.95%
2015-2018	2.50%	12/19/2018	1.90%	0.60%
<b>2022-2023</b>	<b>5.00%*</b>	<b>12/31/2022</b>	<b>6.00%*</b>	<b>-1.00%</b>

# Appendix – Macro

## YoY Change - Shelter and Housing

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The COVID Bubble /Launch

SUPPLY - Decline in Listings

Jan 2017 – 1.4k

Jan 2022 -0.4 k

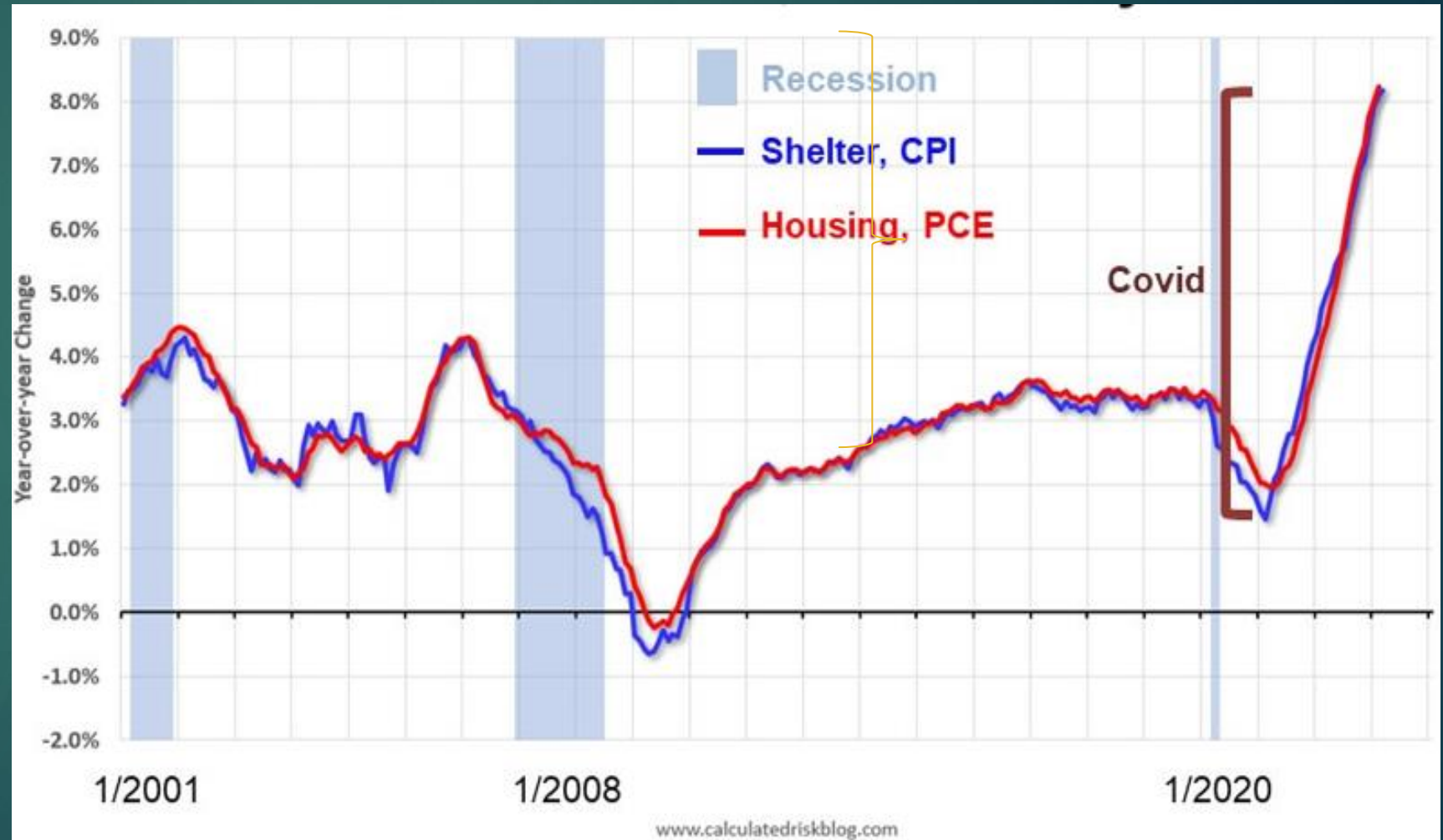
DEMAND

- In COVID Formation Up

TURBO

- Money (was) Cheap

RECORD HOUSING PRICES ->

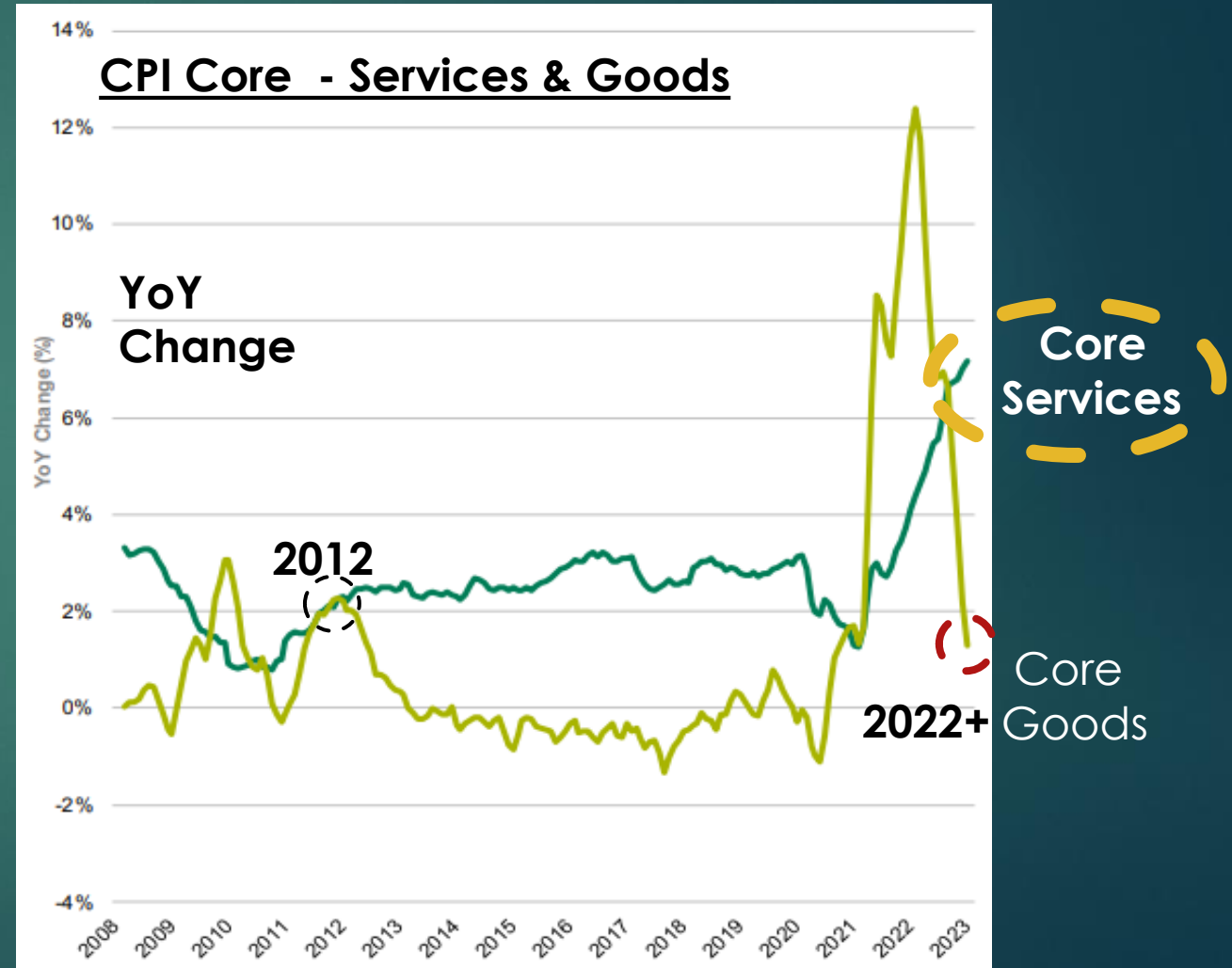
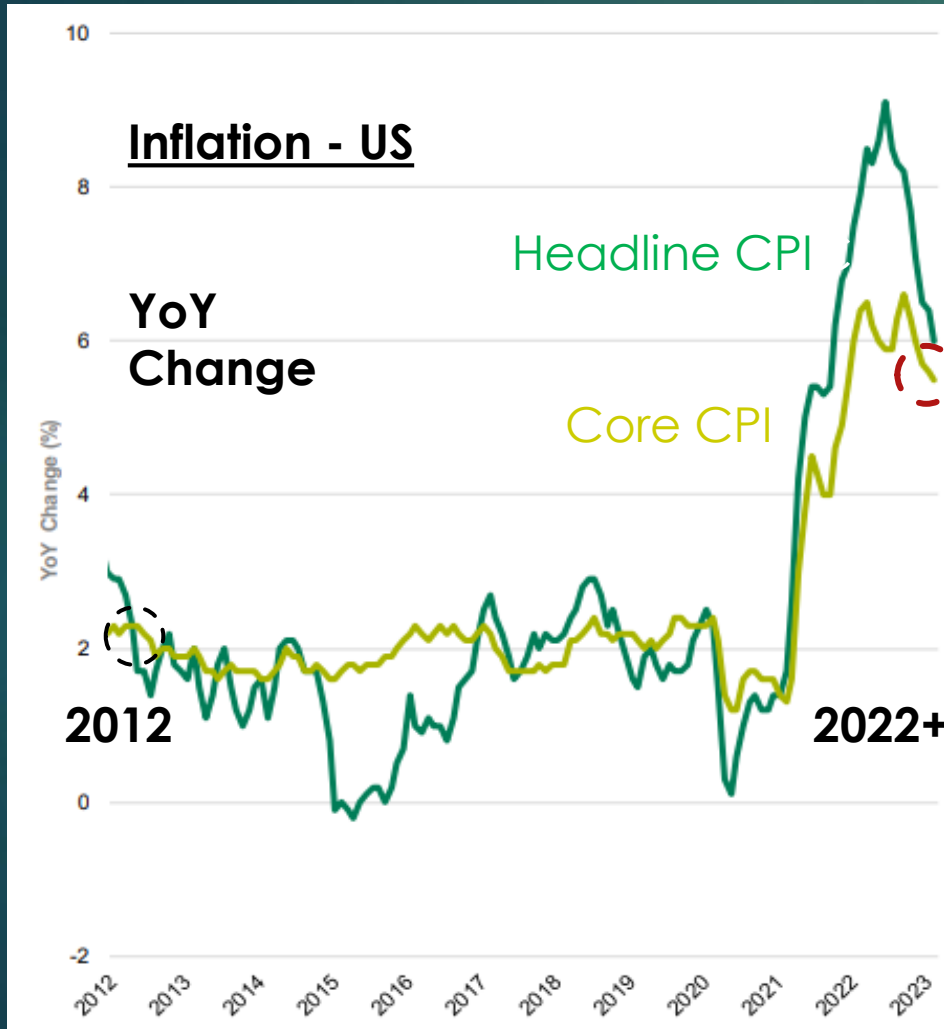


# Appendix – Macro

## CPI Headline & Core

Services Drive > 80%!

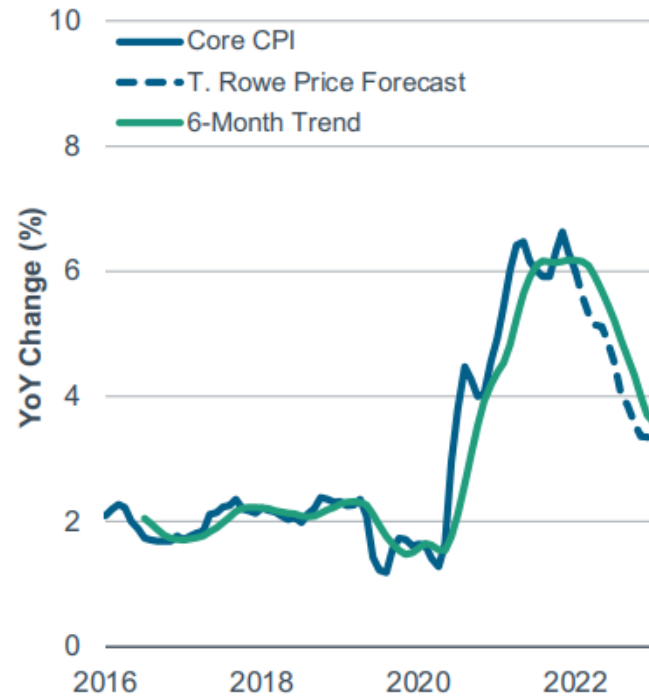
35



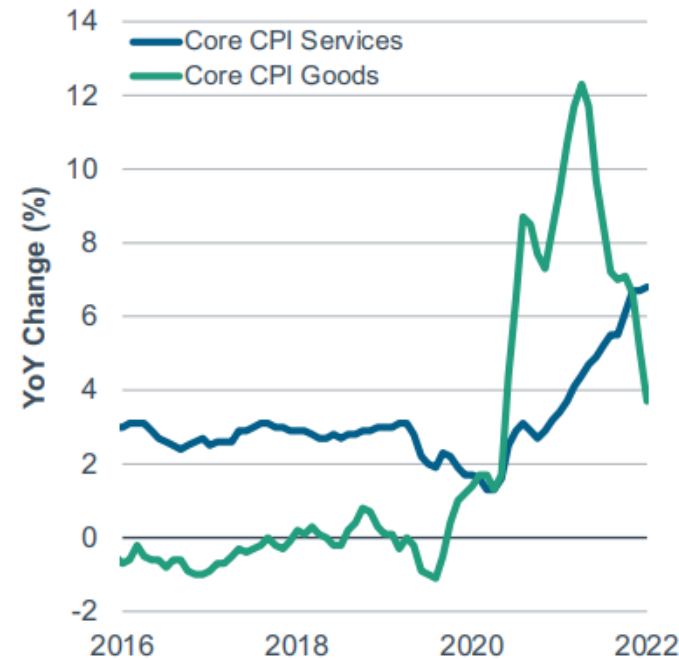
# Appendix – CPI Down ... but Resilient

36

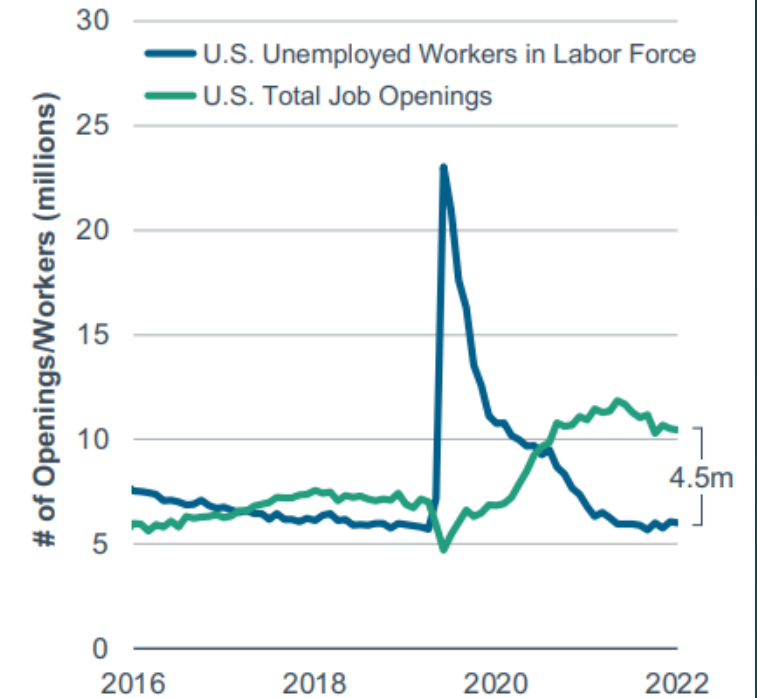
## CPI high, but falling



## Services inflation may not fall enough...



## ...until the labor market cools



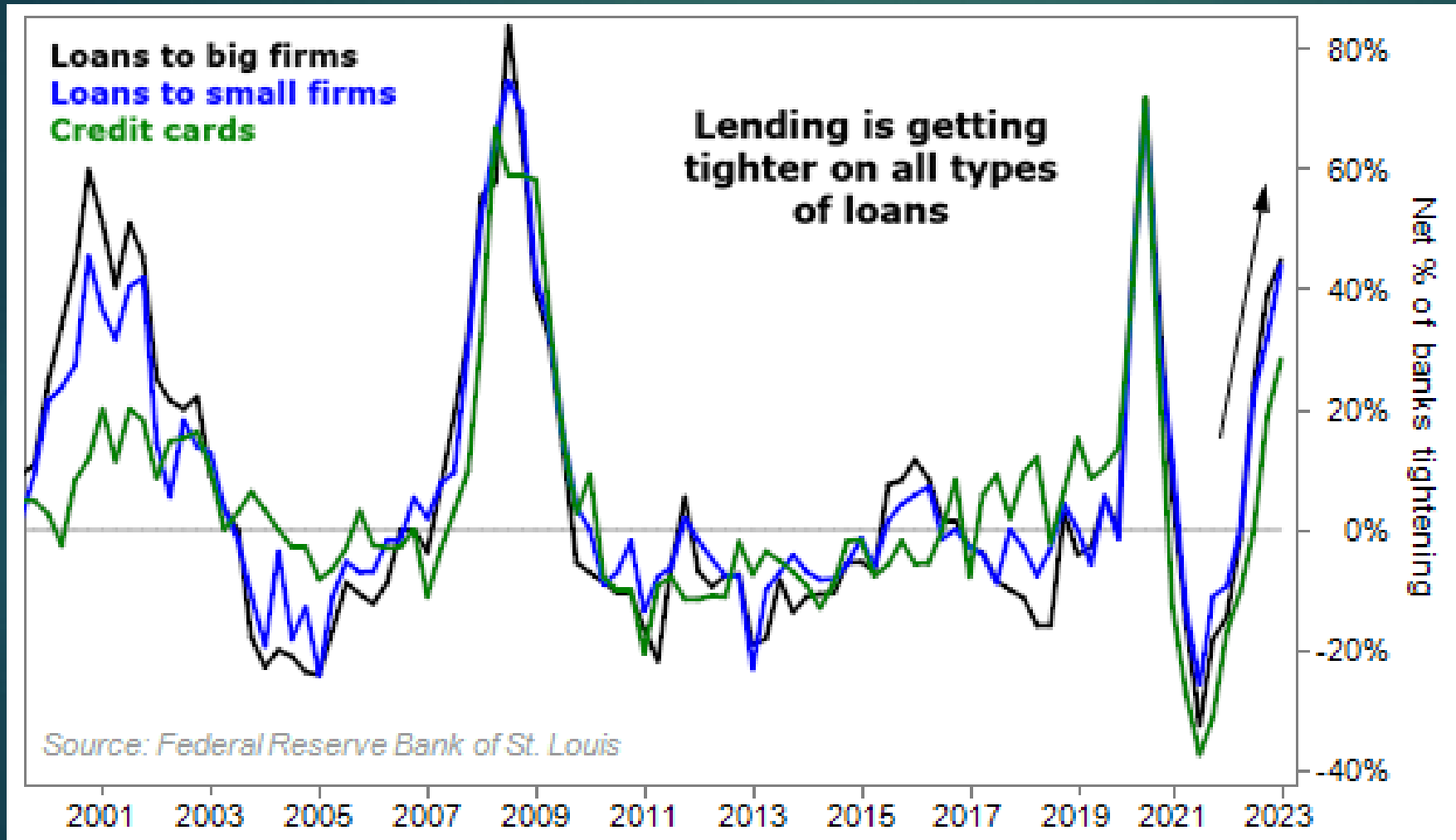
“Despite some promising developments, we have a long way to go in restoring price stability.”

– Jerome Powell, November 30, 2022

Source: Bureau of Labor Statistics/Haver Analytics, Bloomberg, L.P. and illustrated by T. Rowe Price.

# Appendix – Macro / Sentiment

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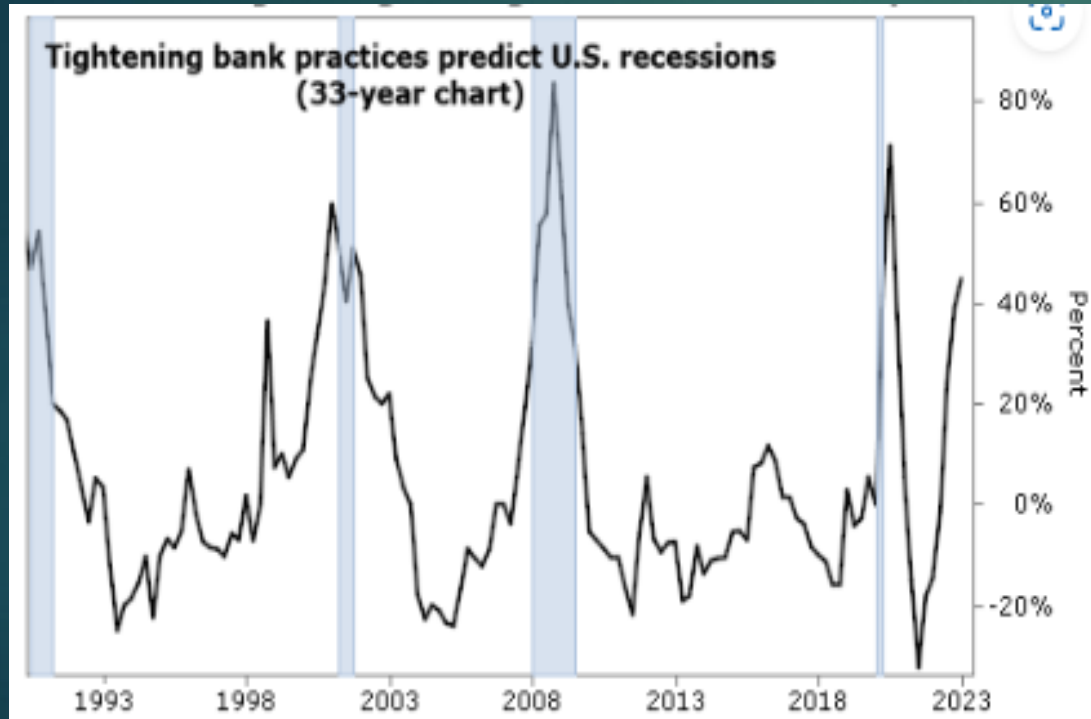
Source: StLouis Fed, StandberryResearch.com, 03-19



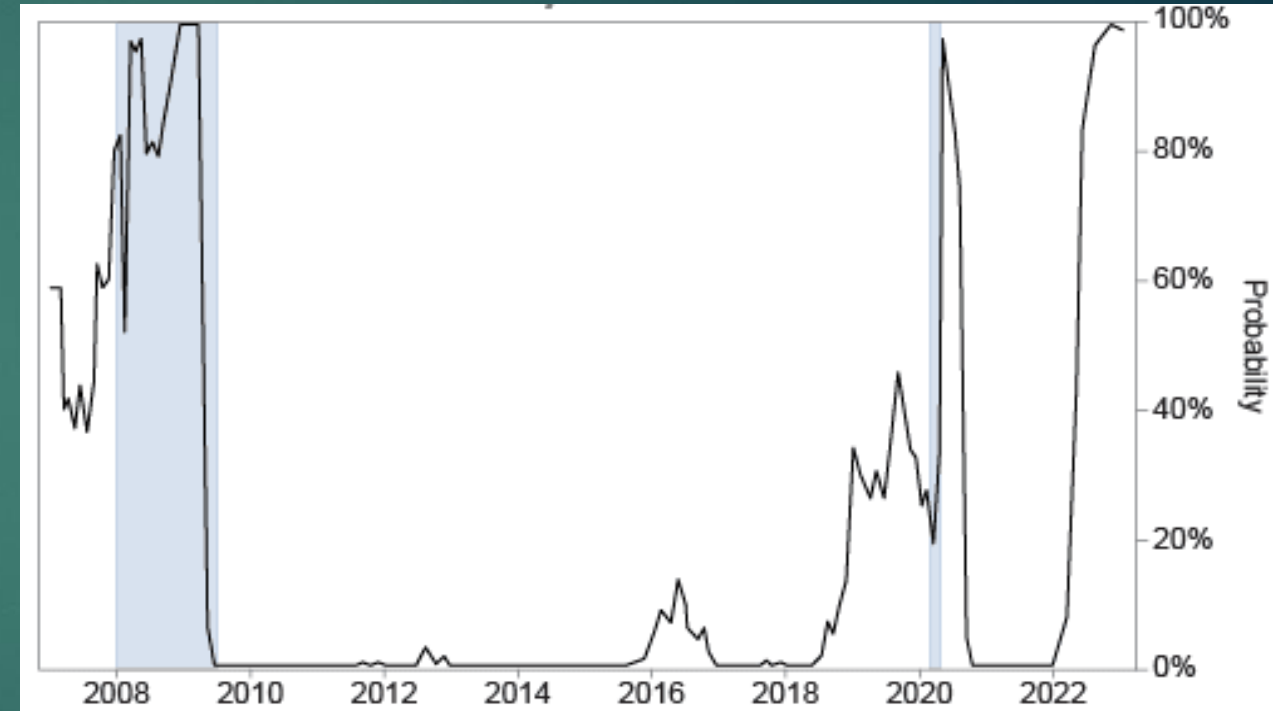
# Appendix – Macro / Sentiment

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Federal Reserve Bank – St Louis  
– Net Pct of Banks Tightening Loan Stds

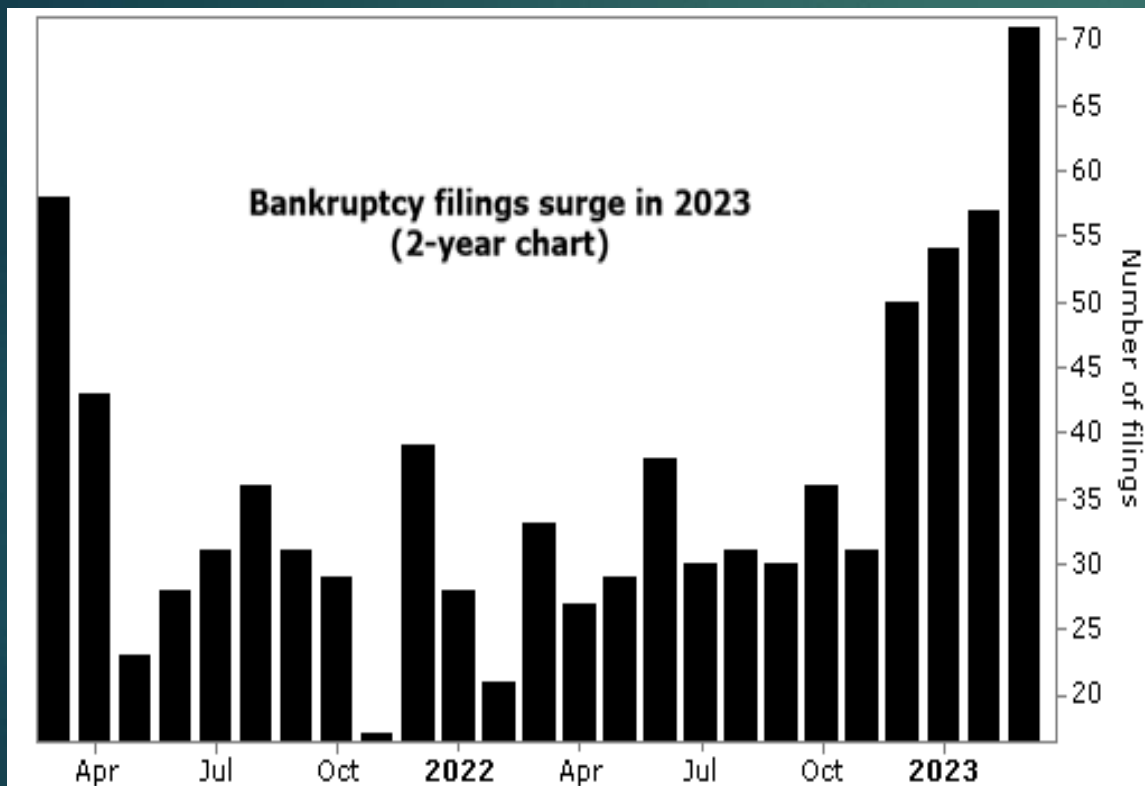


Conference Board – Recession Probability  
– Highest Since 2008-09 and q1 2020

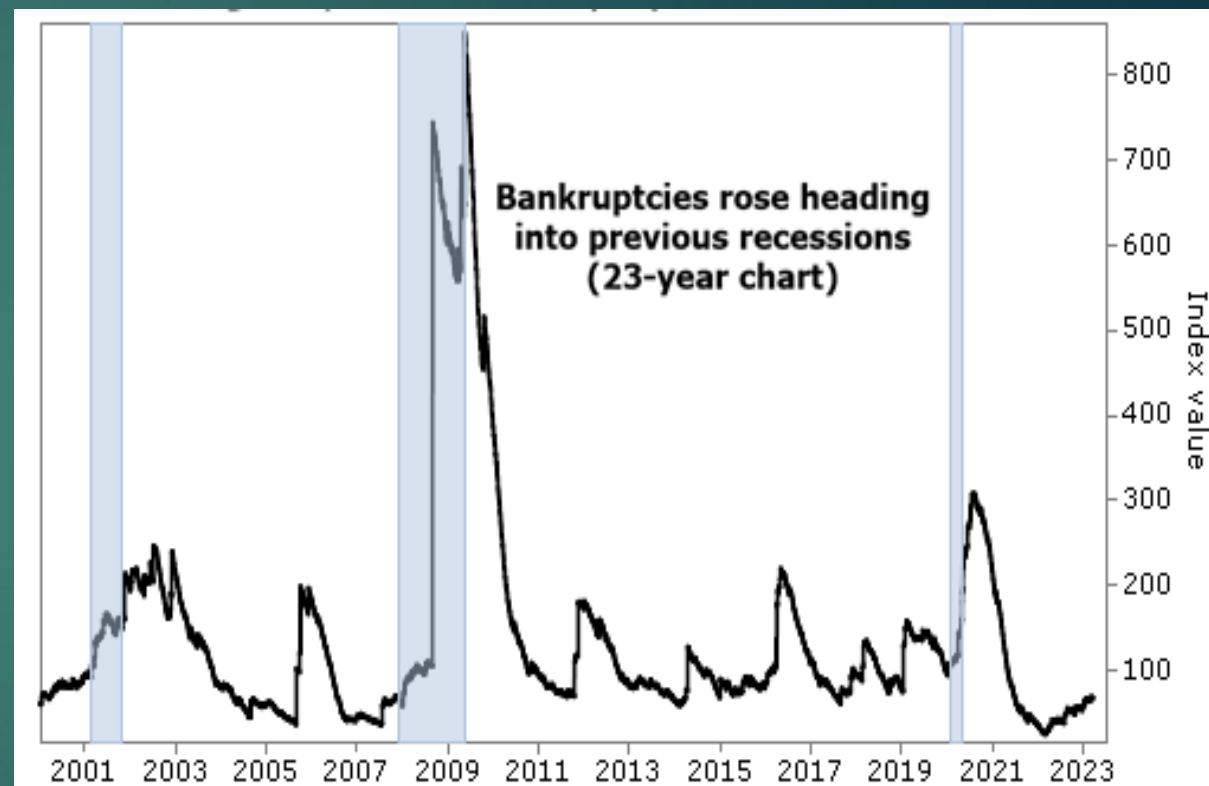


Source (Compilation) Stansberry research

## GMI - Bankruptcy Filings



## Bloomberg Index



### GMI - Criteria:

Public Company or Private with Public Debt, > \$2mm Assets

Private Companies > \$10mm in Liabilities

# Appendix

## EQUITY SECTORS? – Return vs Risk

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ASSET GROUP_category	report date	AuM - \$mm	No etfs	1 month	3 month	Yield pct	1 Year	3 Year	RI - Risk Index	Beta	R^2	
		13	11	12	10	4	9	8	7	6	5	
SECTOR EQUITY_Equity Energy	1/31/2023	\$ 72,323	27	5.2%	3.5%	2.3%	33.8%	23.7%	2.90	1.72	0.46	Equity Energy
SECTOR EQUITY_Natural Resources	1/31/2023	\$ 45,385	46	10.4%	14.9%	2.0%	6.2%	19.2%	1.60	1.18	0.74	Natural Resources
SECTOR EQUITY_Energy Limited Partne	1/31/2023	\$ 16,715	19	4.9%	2.3%	5.2%	19.6%	11.6%	2.45	1.57	0.54	Energy Limited Partn
SECTOR EQUITY_Consumer Defensive	1/31/2023	\$ 31,324	14	1.8%	3.2%	1.8%	-0.7%	10.0%	0.96	0.66	0.62	Consumer Defensive
SECTOR EQUITY_Industrials	1/31/2023	\$ 33,265	30	8.5%	10.7%	2.2%	-1.0%	8.9%	1.54	1.21	0.81	Industrials
SECTOR EQUITY_Financial	1/31/2023	\$ 63,307	30	8.2%	7.5%	3.1%	-4.2%	8.1%	1.58	1.17	0.71	Financial
SECTOR EQUITY_Consumer Cyclical	1/31/2023	\$ 26,457	34	14.9%	14.7%	0.7%	-13.3%	8.0%	1.79	1.34	0.74	Consumer Cyclical
SECTOR EQUITY_Equity Precious Metals	1/31/2023	\$ 23,190	14	11.5%	28.8%	1.5%	1.1%	7.6%	2.32	1.29	0.41	Equity Precious Meta
SECTOR EQUITY_Technology	1/31/2023	\$ 156,662	117	12.7%	10.6%	0.4%	-20.9%	7.1%	1.59	1.17	0.72	Technology
SECTOR EQUITY_Infrastructure	1/31/2023	\$ 12,973	15	7.1%	10.6%	2.4%	-0.7%	6.2%	1.27	1.01	0.82	Infrastructure
SECTOR EQUITY_Health	1/31/2023	\$ 105,010	56	4.4%	5.1%	0.5%	-4.4%	5.3%	1.24	0.79	0.55	Health
SECTOR EQUITY_Utilities	1/31/2023	\$ 25,931	12	0.3%	4.2%	2.3%	2.0%	3.3%	1.08	0.67	0.50	Utilities
SECTOR EQUITY_Communications	1/31/2023	\$ 14,056	10	12.6%	12.6%	1.0%	-21.0%	3.2%	1.34	1.05	0.81	Communications
SECTOR EQUITY_Miscellaneous Sector	1/31/2023	\$ 22,728	44	8.6%	3.9%	1.0%	-17.1%	0.9%	2.16	1.43	0.62	Miscellaneous Sector
SECTOR EQUITY_Real Estate	1/31/2023	\$ 69,469	37	10.7%	11.0%	3.8%	-10.7%	0.7%	1.50	1.16	0.78	Real Estate
SECTOR EQUITY_Global Real Estate	1/31/2023	\$ 7,531	15	8.3%	15.7%	2.4%	-14.8%	-5.3%	1.29	1.05	0.86	Global Real Estate
SECTOR EQUITY_Grand Total	1/31/2023	\$ 726,326	520	9.2%	9.6%	1.7%	-6.3%	8.1%	1.68	1.18	0.67	Grand Total

# Appendix – Select Data Sources

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Data	Timing	files	Input / Output	Source(s)
Asset Indicators – R / R Au, Cash, Equity, Debt (tick or etf)		dload, daily	Asset or Sector/Rank	stockcharts.com
US Govt Tbills Equities	Monthly	Auction Results	Bill or Note / Auction	USTreasuryDirect.com
DJUS IGS (138)	Weekly	Index Price Mo* by IG	Top 15 / Bottom 15 Priority etfs, cos	stockcharts.com, barrons barrons data
All etfs by Asset Class FundFlow – etf	daily	Fund Mo* by etfs	Match – Idx Price & etf Flow	etfdb.com
All etfs by Asset Class AAll+ etf (3,000)	monthly	etf and Index Tracked	AAll Grades, Risk Indic	aaii.com
All Equities Asset Class AAll+ equities (10,000)		daily	AAll Grades, Risk Indic	aaii.com
Equity & ETF Fin Data	Data Dep	xls Dloads	Price – Tech, Fin, Comps	Finra.com & Mstar.com
Options Priority – Present Co vs New Long or Shorts	data dep	Call, Put w Probabilities	Conserve – Time, Spread	OptionPlay.com
			Earnings, Options (L/S)	



# Hy-Inc – Fix List

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Kettlebell (ind or asset averages) vs Dumbell (4<sup>th</sup> qtl is opportunity, 1<sup>st</sup> qtl is harvest?)

- Formalize process to define these 3 classes monthly
- DJIG Equities and 3 best representative etfs
- Spec vs Lead Position High Grading vs present equities

Fund Flow – Formal process of reconcile eftdb.com vs ICI (Inv Co Inst) vs the DJIGs, and related MSCI

Restated Risk – Remove the Ddowns, what is risk if d-downs are eliminated via stop loss set points

Restated Risk – How to classify the Equity Options in the RA R/R format

RA – Doload quant values, complete real regressions, slopes,  $r^2$

Fix xls Template and related lookups to automate – Price Move, Dividends, Interest, Share Bbacks & Options

Use of 3 Forecasts

- RRG Asset Rotation is for input to the HySig Assets Selection or Rotation
- AAll 3 Year Real Return is for Sector – Industry then– Etf and company Selection
- RRG Industry (spdr pool) and Sumgrowth are for the Options Selections and related criteria

Outlook – Update the formal list of DEV – Dominant Exogenous Variables – Then report on the status change

Of the most important – monthly (for options), quarterly (for etf, stock sections), annual or 12 mo outlook.



# 1. BASELINE 2023 – Equity & Quarterly Income

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05-19-23vvE

