

## Stretched Valuations

The S&P 500 Index is currently inflated and distorted by its top ten holdings, which still comprise 40.4 percent of the Index. They are Apple, Microsoft, Amazon, Nvidia, Alphabet Class A (Google Class A & C), Tesla, Meta Platforms Class A, Broadcom, Berkshire Hathaway, and JP Morgan. Because of their large capitalization, these 10 stocks are responsible for distorting the S&P 500 Index. On average, the price/earnings (P/E) ratio of these 10 stocks is 59 – an extremely high value by historical standards.

As with any variable, there is a way to gain perspective on what the most likely range will be in the months ahead. It is a basic statistical calculation called the standard deviation, which measures the amount that a variable typically deviates from its average (mean) during a defined period. The high and low boundary within which the variable has moved for 68 percent of the time is statistically defined as one standard deviation, which is deemed to be the most likely range for the future.

Since the depths of the Great Financial Crisis in 2009, the P/E of the S&P 500 Index has been within 17.3 to 27.7 for 68 percent of the time. This calculates to a standard deviation of 5.0. Applying this P/E range to today's earnings of the S&P 500 Index of \$239.31, we get a standard deviation range from a low of 4,140, which is 40 percent lower than the current S&P 500 Index, to a high of 6,533, which is 5.2 percent below where it closed at the end of September.

This analysis reveals the most likely trading range ahead. Simply applying the average (mean) P/E of 22.3 calculates to an S&P 500 Index of 5,537 which is 22.6 percent lower than the current S&P 500 Index. Statistically, there is currently more downside than upside potential.

## The Sound Advice Diffusion Indexes

We rely on the *Sound Advice* Diffusion Indexes because they have an accurate track record of predicting major stock market trends for the last 50+ years. They work by observing changes in the most sensitive leading and lagging economic indicators that lead to shifts in interest rates. During "Aggressive" signals over the last 50 years, the S&P 500 climbed an average of 31.5 percent. The market has undergone corrections but has never crashed. All market crashes have occurred during "Caution" signals. When the stock market was not crashing, the S&P 500 either meandered, climbed moderately, or declined in an extended bear market, recording an average decline of 0.6 percent.

We reported last month that our Diffusion Index of Leading Indicators (page 8) recorded a zero reading, revealing that the economy has softened sufficiently to spawn a decline in interest rates. This month, we have another zero reading, adding to a string of zero readings for the previous two months. The last time had a string of zero readings like this was in late 2022, which led to a new signal change from "Caution" to "Aggressive". That signal was prescient as we began a new bull market.

The most recent string of zero readings is confirming that the economy is soft, providing conditions for an imminent decline in interest rates.

The next signal will come from a 100 percent reading of our Diffusion Index of Lagging indicators, revealing that the economy is overheating and exerting upward pressure on inflation and short-term interest rates. However, it would



**Gray Emerson Cardiff,**  
*Editor Since 1988*

Since the beginning of 2000 through the end of 2024, the *Sound Advice* Model Portfolio produced an average annual return of 8.9 percent versus 5.9 percent for the traditional S&P 500 Index, compounding to 1.9 times more capital growth.

take a seismic increase in all of the underlying economic indicators contained in our Diffusion Index of Lagging Indicators to cause a 100 percent reading in the immediate months ahead. Accordingly, the end of the current bull market is not on the horizon.

Bull markets are never without significant corrections, however. With valuations currently stretched, a near-term correction has become increasingly likely.

## The Sound Advice Recommendations

We eat our own cooking. The **Sound Advice Diversified Growth Fund** invests exclusively in the *Sound Advice* Model Portfolio recommendations. The editor of *Sound Advice* for 36+ years, Gray Cardiff, manages the *Sound Advice* Fund and is also an investor on a side-by-side basis with the other investors. You can request a prospectus for Sound Advice Fund on the log-in page you used to download this issue of *Sound Advice*.

## The Model Portfolio

Our individual stock recommendations are special situations offering a compelling value proposition. We are also recommending liquid electronically traded funds (ETFs) investing in sectors that are bound to benefit in the months and years ahead. All recommendations, as well as their dividend yields and buy/hold/sell recommendations, are summarized in the table on page 7 and sorted by investment objective categories and then in alphabetical order.

### Downside Hedges

We include downside hedges as part of the portfolio to reduce risk and dampen volatility by profiting during market corrections. Minimizing losses, even at the expense of limiting the upside, has been our key strategy for outperforming the market over the long run.

**ProShares UltraShort S&P 500 (SDS)** is designed to produce two times the daily fluctuations of the traditional S&P 500 Index, only in reverse. For example, a decline of say, 1.0 percent in the Index will cause SDS to increase by 2.0 percent. Conversely, an increase in the Index will cause SDS to decline by 2.0 percent. We are including SDS as a hedge because the S&P 500 Index is distorted and inflated, as discussed above.

#### The Russell 2000 Index

The Russell Index is comprised of small and mid-sized domestic companies which tend to be more volatile than the overall market, especially during market corrections. The following two ETFs below can also be used as a downside hedge because they short sell the Russell 2000 index. They differ in the leverage employed, which you can choose one according to your investment objectives and risk tolerance.

**ProShares UltraShort Russell2000 (TWM)** is designed to produce two times the daily fluctuations of the Russell 2000 index (IWM). A decline of say, 1.0 percent in the Russell 2000 will cause TWM to increase by 2.0 percent. Conversely, an increase in the Russell 2000 will cause TWM to decline in the same fashion.

**ProShares UltraShort Pro Russell2000 (SRTY)** is designed to produce three times the daily fluctuations of the Russell 2000 index.

### Special Situations

The following stocks are individual companies presenting extraordinary values within their respective industries. Here they are in alphabetical order:

**Cisco Systems (CSCO)** is a value play in the AI boom because it supplies the backbone of data center networking equipment and software. The upside growth potential is not anticipated by the current stock price, as evidenced by a relatively low P/E and an attractive dividend yield.

An uncomfortably large portion (approximately 40 percent) of NVIDIA's revenues come from four companies - Amazon, Meta Platforms, Microsoft, and Alphabet. In an effort to diversify, NVIDIA is collaborating with Cisco to attract more artificial intelligence (AI) customers in data centers, offering potential customers with scalable and automated AI cluster management, automated troubleshooting, and "best-in-class" customer experiences. Cisco's management is reporting strong AI business growth, and is confident that AI will continue to be a driver of growth.

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**JP Morgan Chase (JPM)** is a good value for what is considered the world’s highest quality banking enterprise with diversified businesses and prudent underwriting policies. Deregulation of the industry will be a substantial benefit to JPM. The Company has a long history of growing dividends.

**Moderna (MRNA)** is a pure investment play on Messenger RNA (mRNA) technology. This revolutionary technology is on a path to provide solutions for not only vaccines, but for cures and treatments for the most deadly and debilitating diseases haunting humanity.

The sharp decline in recent months bound to be providing a long-term buying opportunity. Management believes that the company’s cash reserves will be sufficient to sustain the business while it develops vaccines and treatments through its 40+ programs in development.

Perhaps the most substantial upside potential is from developments regarding the ability to see fragments of cancer cells in a blood draw, allowing the detection of cancer in early stages, before it graduates into more serious later stages. Data will be transmitted through the cloud to Moderna’s IT system, and AI algorithms will be used to compare an individual’s particular cancer cell mutation to the hundreds of thousands of possibilities and to the treatments that are currently effective. Management says Moderna will be able to analyze and develop a treatment customized for an individual patient within 30 days of the blood draw, and over time with more and more data, the process will become more efficient and accurate.

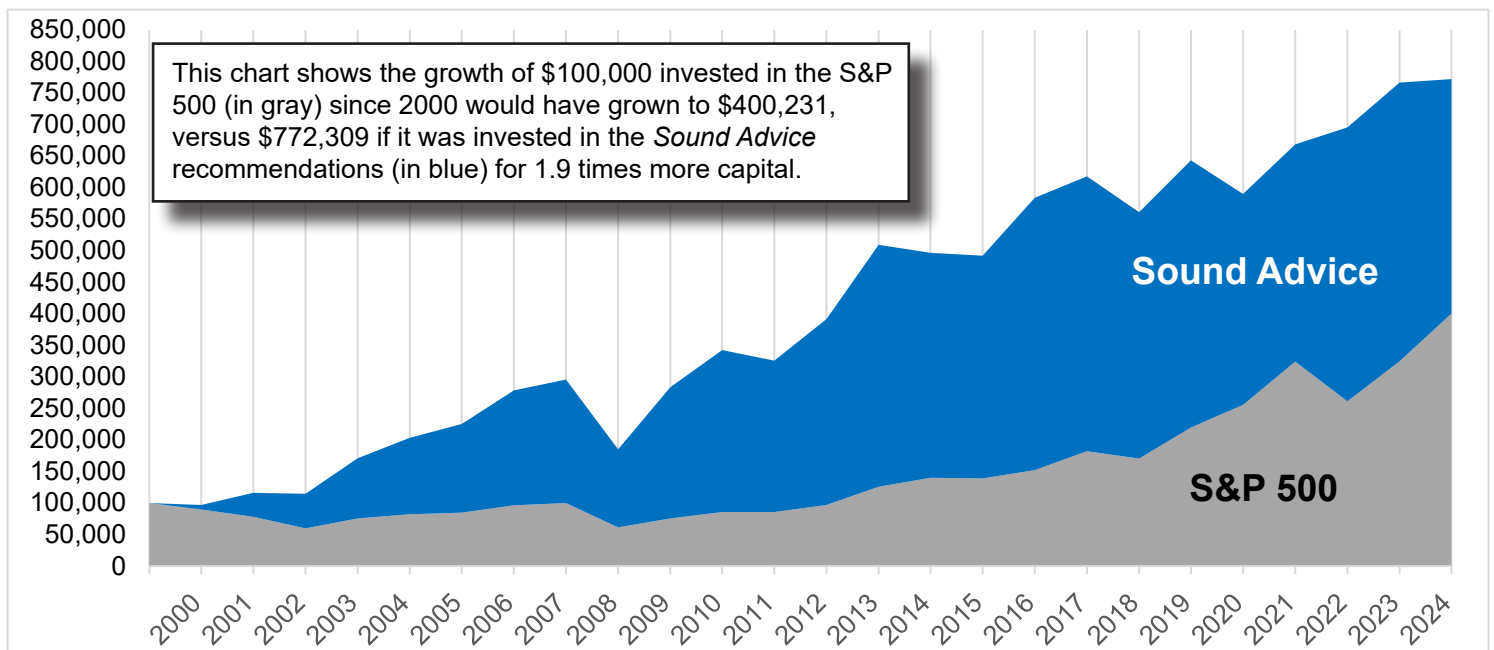
**RLJ Lodging Trust (RLJ)** paid its quarterly dividend its 15 cents per share on 9/30/25. The annual dividend of 60 cents per share is a yield of 8.3 percent, and the dividend is well-covered by the company’s cash flow. This REIT is severely undervalued.

RLJ has a large and diversified portfolio of hotel properties, with 96 premium-branded, high-margin, focused-service and compact full-service hotels located in 23 states and Washington DC. This is a low-leveraged REIT because the company’s debt is only 46 percent of its (book value) assets.

The portfolio’s net operating income (NOI) for the trailing four quarters was \$380 million. Using a conservatively high cap rate of 7.5 percent produces a portfolio value of \$5.07 billion. Adding other assets and subtracting liabilities leaves the company equity of \$3.09 billion. After subtracting the liquidation value of the company’s only preferred stock of \$328 million leaves equity for the common shareholders of \$2.76 billion. Dividing that equity by the 149.5 million shares of RLJ outstanding translates to a net asset value of \$18.46 per share – more than double the current price of the stock price.

**RLJ’s \$1.95 Series A Cumulative Convertible Preferred (RLJPRA)** is RLJ’s only preferred stock, with a liquidation preference of \$25 per share, which is the maximum value that would be received from an acquisition of the company. Use limit orders at \$25 or lower to accumulate this preferred stock for a safe annual yield close to 8 percent.

### Sound Advice versus the S&P 500



The dividends for this preferred only consume 10.2 percent of the company's cash income and must be paid before common dividends, making the yield highly secure.

### Special Situations in Energy

Our holdings in this sector have been performing very well, largely because of the continued decline of oil and gas production in Russia. Not long ago, Russia was one of the world's top oil producers with more than 11 million barrels per day (BPD). Now it is close to 9 million BPD and falling.

Ukrainian drone attacks have targeted Russian oil refineries and lead to significant reductions in refining capacity. International sanctions have limited Russia's access to Western technology and spare parts, which are essential for oil well maintenance and restoration. According to The Moscow Times, without the aid of Western technology, Russian oil wells are aging and many are shut down.

As Russia continues to escalate the war in Ukraine, and flirt with threats elsewhere, Europe is motivated to cut its dependence on Russian oil, the revenue from which is financing Russia's war aggressions. The US is pressuring other purchasers, such as India, China, and Turkey, to cut purchases from Russia. To offset the cuts, the US is offering to make up the difference. Of course, this is bullish for US oil companies. Although oil prices may not boom under adequate world-wide supplies, increased volume will still increase revenue.

Our following energy selections present stellar values for long-term profits with currently attractive and potentially increasing dividend income.

**Chevron (CVX)** has a long history of dividend increases. Future dividend increases are bound to be supported by production growth from assets in the Permian Basin. The acquisition of Hess Corporation (HES) in July gives the company a 30% share in the Guyana Stabroek block which holds the equivalent of 11 billion barrels with a low production cost. Additionally, Chevron has been allowed to resume oil imports from Venezuela.

**Exxon Mobil (XOM)** has low production costs. Production from its immense Guyana field is boosting earnings despite lower oil prices and lower refining margins. The benefits are starting to appear from the 2023 acquisition of Pioneer National Resources, evidenced by new production growth in the Permian Basin. XOM also has an attractive dividend yield with a history of dividend increases.

**Halliburton (HAL)** is a premier oil field services company. With a substantial presence in the US, Halliburton derives a larger share of its revenues from North America than its primary competitors, SLB Inc and Baker Hughes.

Halliburton has technological innovations that are tailor made for the unconventional reservoirs in the US, including its directional drilling system, the iCruise CX system, which is a rotary steerable tool and LOGIX drilling automation platform that makes it possible to reliably drill in curves and laterally in a single run. This new technology has been rapidly deployed in the Permian Basin.

Other relatively new Halliburton technologies include the Zeus platform, electric pumping units, Octiv Auto Frac, and Sensori subsurface measurement. These systems increase efficiency and replace outdated and costly diesel generators as power sources for onsite drilling with generators capable of using natural gas, LNG, and a variety of other fuels that are available on the drilling site.

In Alaska, where some of the nation's largest oil and gas reserves reside, Halliburton's EarthStar ultra-deep resistivity tool and reservoir mapping service delivers unmatched performance on the North Slope. Exploring in Alaska was curtailed by the Biden Administration, but that is now expanding under the Trump Administration.

**Valero Energy (VLO)** was added to the portfolio several years ago at \$60.41 per share. As earnings have grown, VLO is still a bargain with a relatively low P/E and attractive dividend yield. Valero makes its money from the "crack spread", which is the profit margin derived from purchasing crude oil, turning it into refined products such as gasoline and jet fuel, and selling those refined products.

Valero has the unique ability to achieve discounts for its crude oil feedstocks because it can refine a variety of crude oil types. This flexibility and access allow Valero to capture the highest margins among its competitors because it can take advantage of the temporary gluts of crude, whether it's low or high-quality crude or light sweet (low sulfur) or heavy sour (high sulfur) crude, to obtain the best available discounts for its feedstocks. The company's refineries also have access to the US pipeline network from its gulf coast locations.

Valero's "green energy" joint venture with Diamond Green Diesel is producing renewable diesel at large profit margins. Renewable diesel is made from animal or plant waste material which reduces greenhouse gas emissions up to 80

percent because it only releases as much carbon dioxide as the material originally contained. Renewable diesel does not congeal at low temperatures which means it can be easily transported through pipelines.

### Equally Weighted S&P 500

**Invesco S&P 500 Equal Weight ETF (ticker symbol RSP)** invests in all the S&P 500 stocks but on an equally weighted basis and rebalances its portfolio each quarter to maintain its equal weights. This rebalancing process preserves value by reducing stocks that have recently outperformed while adding recent laggards. This preservation of value explains the superior performance over the traditional S&P 500 Index recently and over the long-term.

From the beginning of 2000 through the end of 2024, RSP has outperformed all the major indexes, with an annual percentage rate (APR) of 6.9%. This compares to the Dow Jones Industrials with an APR of 5.7%; the Russell 2000 with an APR of 5.2%; the Nasdaq Composite with an APR of 6.6%; as well as the traditional S&P 500 Index with an APR of 5.9%. These returns compare to the APR of 8.9% from the Sound Advice recommendations over the same period.

### Sector ETFs

Included in the *Sound Advice* model portfolio are the following electronically traded funds (ETFs) investing in sectors that are bound to benefit in the months and years ahead from fundamental changes in geopolitical, medical, and economic landscapes. These ETFs contain a portfolio of stocks, much like a mutual fund but ETFs are liquid and trade like stocks with their own ticker symbols. Their prices are determined by the value of the portfolio of stocks they hold.

#### Artificial Intelligence

**Global Robotics and Automation Index ETF (ROBO)** is investing in the key to making the world's companies more efficient -- robotics and automation. Approximately half of the portfolio is in robotics technologies, and the other half is in the technology controlling the robots – sensing, computing actuation, and artificial intelligence (AI). This is a diversified way of investing in AI which is the next technological frontier and will be playing an increasingly greater role in the way companies operate around the world.

#### Biotech ETFs

Biotech companies offer explosive profits because they are the source of the world's top breakthrough vaccines and treatments. Their stocks are often volatile, making diversification essential. This can be accomplished by investing in a diversified electronically traded fund (ETF) investing exclusively in a portfolio of biotech companies.

**ARK Genomic Revolution Multi-Sector (ARKG)** is an actively managed biotech ETF investing in companies expected to benefit by incorporating technological and scientific developments, along with advancements stemming from mapping the human genome. Technological breakthroughs in artificial intelligence and other high-tech advancements have cut the cost substantially of opening new opportunities and putting this sector on the cutting edge of many new innovations.

#### Balanced Sector ETFs

The following ETFs rebalance their holdings quarterly to equalize the values, which offers a greater degree of evenly weighted diversification and adds stability as well as safety to a portfolio. This practice often provides a superior performance because it offers upside from stocks that are often under-weighted in the portfolios of other ETFs and mutual funds.

**Virtus LifeSci Biotech Products (BBP)** is a passively managed biotech ETF that weighs the portfolio selections essentially equally, as opposed to the more typical practice of weighing selections according to market capitalization. This is an important aspect because biotech ETFs who weigh their portfolio selections essentially equally have been the best performers because they have larger investments in smaller biotechnology companies which have become acquisition targets for large pharmaceutical companies looking for ways to expand.

#### Health Care

Health care stocks have several traits that make them desirable long-term investments. They are well-suited for an aging population, which exerts disproportionate demands on the health care industry. As the world's population continues to age, this trend is inexorable, making the health care sector defensive in nature and more insulated from economic cycles than other sectors. Health care companies are also prime candidates for new AI technologies that are bound to improve efficiency and accelerate growth.

One of the main criticisms of most health care ETFs is that they are dominated by a relatively small number of large companies, such as Johnson & Johnson, which distort the performance of the typical health care ETF portfolio.

**Invesco's S&P 500 Equal Weight Health Care ETF (RSPH)** tracks the S&P 500 Equal Weight Health Care Index, which tracks 65 health care stocks represented in the S&P 500, but weights each holding evenly. Both the Index and

RSPH are rebalanced quarterly. This approach has given RSPH a superior performance to the large health care ETFs.

### Consumer Staples

**Invesco S&P 500 Equal Weight Consumer Staples ETF (RSPS)** invests in consumer staple stocks within the S&P 500 Index. Consumer staples are those unexciting products we use every day without much thought, ranging from food, beverages (including alcohol), household goods (including cleaning supplies), and hygiene products. These are products that people are unable (or unwilling) to remove from their budgets regardless of their financial situation. The nature of these products makes this sector defensive and much less vulnerable to periods of soft or negative economic growth.

### Tariffs & US Manufacturing

Tariffs are aimed at incentivizing production inside the US because tariffs can be avoided by moving production within US, even if by international companies. Looking beyond the near term, the companies in the following ETFs are bound to be direct beneficiaries of increased capital expenditures for US production facilities.

Since the announcement of tariffs, a long list of companies have announced trillions of dollars of immediate capital investments for production facilities inside the US, including: \$500 billion from Apple; \$500 billion from Project Stargate led by Japan-based Softbank and U.S.-based OpenAI and Oracle; \$100 billion from Taiwan Semiconductor Manufacturing Company (TSMC); \$20 billion from Eli Lilly; \$20 billion from United Arab Emirates-based DAMAC Properties; \$20 billion from France-based shipping giant CMA CGM; \$20 billion from Hyundai which includes \$5.8 billion for a new steel plant. The list goes on including substantial investments from all of the world's major automobile manufacturers along with scores of international companies in other major and supporting industries.

**Invesco S&P SmallCap Industrials ETF (PSCI)** is based on the S&P SmallCap 600 Capped Industrials Index which is designed to measure the overall performance of the securities of US industrial companies with small capitalizations (caps). These domestic companies are engaged in the business of providing domestic industrial products and services, including engineering, heavy machinery, construction, electrical equipment, aerospace, and defense, as well as general manufacturing. They will reflect the positive impacts more strongly than larger companies from an increase in domestic capital spending. Small cap construction companies typically operate inside the US on local construction projects that tend to employ local companies as subcontractors, even when general contractors may be national companies.

**Invesco S&P 500 Equal Weight Materials ETF (RSPM)** invests in the companies that comprise the S&P 500 Equal Weight Materials Index. The portfolio contains prime examples of basic materials companies outside of the oil and gas industries. Increased capital expenditures on new US production facilities will translate into demand for basic materials.

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## The Science of Making Money in the Stock Market

By Gray Emerson Cardiff

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This book that explains all of the **SoundAdvice** indicators, including the Diffusion Indexes and Risk Indicator, and exactly how they work, along with a detailed history to back up the track records.

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## Portfolio Summary Table

Growth with Income	Symbol	Price	Yield	Action	Limit *
Chevron	CVX	\$155.29	4.40%	BUY	\$163.05
Cisco Systems	CSCO	\$68.42	2.40%	BUY	\$71.84
Halliberton	HAL	\$24.60	2.76%	BUY	\$25.83
Invesco Consumer Staples ETF	RSPS	\$29.23	2.84%	BUY	\$30.69
Exxon Mobil	XOM	\$112.75	3.51%	BUY	\$118.39
RLJ Lodging	RLJ	\$7.20	8.33%	BUY	\$10.75
RLJ Preferred A	RLJPRA	\$25.23	7.73%	HOLD	\$25.00
Valero	VLO	\$170.26	2.65%	BUY	\$178.77
Growth	Symbol	Price	Yield	Action	Limit *
Genomic Revolution Multi-Sector	ARKG	\$27.77	0.00%	BUY	\$29.16
Golbal Robotics & Automation ETF	ROBO	\$65.56	0.47%	BUY	\$68.84
Invesco Basic Materials ETF	RSPM	\$32.75	2.14%	BUY	\$34.39
Invesco Health Care ETF	RSPH	\$29.39	0.75%	BUY	\$30.86
Invesco Small Cap Industrials ETF	PSCI	\$149.44	0.64%	BUY	\$156.91
JP Morgan Chase	JPM	\$315.43	1.78%	BUY	\$331.20
Moderna	MRNA	\$25.83	0.00%	BUY	\$27.12
S&P 500 Equal Weight ETF	RSP	\$189.70	1.51%	BUY	\$199.19
Virtus LifeSci Biotech Products	BBP	\$69.97	0.00%	BUY	\$73.47
Hedges	Symbol	Price	Yield	Action	Limit *
ProShares UltraShort S&P 500	SDS	\$14.45	0.00%	BUY	\$15.17
ProShares UltraShort Russell 2000	TWM	\$33.87	0.00%	BUY	\$35.56
ProShares UltraShort Pro Russell 2000	SRTY	\$11.76	0.00%	BUY	\$12.35

\* **Note to the table:** The right hand column is the highest recommended price limit for purchases.

**General Comments:** Our statistics are based on the assumption that \$10,000 is invested in each position. When a new position is added, we assume the same \$10,000 amount is invested in the new recommendation. When we recommend adding to a particular position, as we have done over the years, we assume another \$10,000 is invested again in that position.

If you are picking and choosing, you can focus on the sector of the portfolio that matches your investment objectives. Alternatively, you may have a higher degree of comfort with certain industries, funds, or stocks because of past experience or your profession. In that case, you may want to invest more heavily in one sector, or in one or more individual recommendations.

As always, broad diversification will temper volatility, add to safety, and improve long-term performance.

## Business Cycles and Stocks: The **SoundAdvice** Diffusion Indexes

We rely on the *Sound Advice* Diffusion Indexes because they have an amazing accuracy as predictors of the birth of bull and bear markets. During each “Aggressive” signal, the S&P 500 climbed an average of 31.5 percent. During “Caution” signals, the S&P 500 either crashed, meandered, or climbed, recording an average decrease of 0.6 percent.

To construct our *Sound Advice* Diffusion Indexes, we observe changes over a five-month period in each of our selected leading and lagging economic indicators. Substantial changes lead to shifts in interest rates.

When the *Sound Advice* Diffusion Index of LEADING Indicators drops to zero, we get an “Aggressive” signal. This happens when all three the leading economic indicators decline compared to five months earlier. This is not just an empirical coincidence. It is also logical. A zero reading reveals that a soft economy is providing an atmosphere for declining short-term interest rates.

The *Sound Advice* Diffusion Index of LAGGING Indicators gives “Caution” signals when all three of its individual lagging economic indicators rise above their respective levels of six months earlier, providing a 100 percent reading. This reading reveals that the US economy is strong enough to put upward pressures on interest rates.

### A Powerful Overriding Force

Most of the time, the Diffusion Indexes are excellent detectors of the natural business cycle and a path to the science of making money in the stock market. However, the forces of the natural business cycle can be dominated by extraordinary changes in monetary policy during emergency situations.

The COVID-19 pandemic was the most recent example. In mid-March 2020, the Federal Reserve declared the institution of its fourth “Quantitative Easing” (QE) program whereby it dropped the Federal Funds rate to zero and commenced buying massive amounts of US Treasury bonds. With its mighty power, the Fed drove down interest rates and infused massive amounts of liquidity into the US economy. The money supply mushroomed.

At times like this, we need to ignore readings from the Diffusion Indexes. Interest rates are dropping by the Federal Reserve’s mandate, just as if the Diffusion Index of Leading Indicators had plunged to zero. Conversely, whenever the Federal Reserve declares an end to its QE program, we return to our Diffusion Indexes to follow their readings. If the Diffusion Index has moved to a “Caution” signal during the QE program, we should follow that reading. This is the most likely pattern of events because the economy will likely have strengthened in order for the Federal Reserve to end its QE program.

### Current Status

The latest leading leading and lagging economic indicators were published in late September for the month of August.

Our current “Aggressive” mode was established by a zero reading for the Diffusion Index of LEADING Indicators in December 2022 based on the indicators for November 2022. The latest reading is zero percent, for the third month in a row..

**Our next signal will be a “Caution” signal from a 100 percent reading on the Diffusion Index of LAGGING Indicators which recorded zero percent based on the latest indicators.**

### Track Record of the **SoundAdvice** Diffusion Indexes

Signal Dates (Month-Year)			
Aggressive	S&P 500	Caution	S&P 500
Sep-74	68.12	Apr-76	101.9
Jul-76	104.20	Dec-76	104.7
Oct-78	100.58	Jun-79	101.7
Nov-79	100.00	Oct-83	167.7
Aug-84	164.48	Jun-85	188.9
Jul-86	240.18	Aug-87	329.4
Feb-88	258.13	Jun-88	270.7
Mar-89	280.00	Mar-93	449.7
Mar-95	493.15	Dec-98	1,141.0
Jun-00	1,429.40	Dec-00	1,320.3
Jun-03	974.50	May-05	1,191.5
Jun-06	1,276.66	Mar-08	1,325.4
Dec-08 (1)	865.58	Apr 10 (2)	1,197.3
Sep 10 (3)	1,122.08	Jun 12 (4)	1,359.8
Sep-12 (5)	1,437.82	Nov 14 (6)	2,044.6
Mar-15	2,079.99	May-15	2,111.9
Sep-17	2,492.84	Feb-18	2,705.2
Mar-20 (7)	2,761.98	Nov 21 (8)	4,667.4
Dec-22	3,912.38		
Ave +/-	31.5%		-0.6%

### Quantitative Easing (QE) Overriding Signals

- (1) QE-1 announced 4 months before Aggressive mode
- (2) QE-1 terminated into existing Caution signal
- (3) QE-2 announced but already in Aggressive mode
- (4) QE-2 terminated into existing Caution signal
- (5) QE-3 announced, changed to Aggressive mode
- (6) QE-3 terminated into existing Caution signal
- (7) QE-4 announced, changed to Aggressive mode
- (8) QE-4 terminated into existing Caution signal