REDHAWK
WEALTH ADVISORS

WEEKLY UPDATE

PERSPECTIVE for BETTER FINANCIAL OUTCOMES

Market Commentary

Last week stocks rose globally on optimism that Chinese and U.S. officials made progress in negotiations that laid the groundwork for a truce on additional tariffs. Positive comments on the Brexit front added to the optimism, leading international developed-market stocks to record their biggest weekly rise in four months. Reduced uncertainty can be a catalyst for improved returns in international equities, but continued uncertainty surrounding trade negotiations could prompt volatility.

Stocks appear on track to finish the year strong, with the S&P 500 near a record high, despite a volatile past quarter during which slower global growth and trade tensions caused recession fears to spike. Twists and turns on the U.S. and China trade front continue to drive market swings, with stocks rising last week on optimism that both sides are looking at a phased approach to a trade deal, which was announced after market close on Friday. This incremental progress is encouraging, but additional phases of agreement or a larger deal that includes key issues like intellectual property, technology transfers, and enforcement will likely take more time. Thus, trade issues will remain a source of volatility.

Slower Growth

A healthy labor market and fresh stimulus from the Federal Reserve are key pillars of support, but trade, election and geopolitical uncertainties are increasing headwinds. The backbone of the expansion remains reasonably sturdy. Unemployment is at 3.7%, near a 50-year low, and monthly job growth is extending the longest streak on record, which should support better than 3% wage gains ahead. In addition, the Fed has shown a willingness to cut rates to extend the business cycle. Uncertainty from the U.S. and China trade turmoil and upcoming election will likely weigh on business investment and net exports. However, lower corporate and household borrowing costs and further progress on trade negotiations make a case for sustained growth.

Uncertainty Drives Volatility

U.S. equities will outperform bonds this year based on a slowing but still-supportive macroeconomic backdrop and steady corporate fundamentals. Risks tied to geopolitical concerns, trade uncertainties, and slowing global growth will continue to make it a bumpy ride. The effect of the tax cuts has faded, and economic growth has slowed, earnings growth stalled this year. Tariff tensions, geopolitical challenges such as Brexit, and slowing global growth pose challenges for equity returns. An impeachment inquiry in the U.S. adds to the headline risk that may, at times, unsettle investor sentiment. However, history shows that economic and corporate conditions, not politics, are what matter most for long-term stock performance.

Interest Rates Lower

The inversion of the yield curve this year has raised worries of an approaching recession. However, despite trade uncertainty and slowing global growth, the fundamentals remain solid. Equities should outperform fixed-income investments, but bonds will continue to help stabilize portfolios during normal bouts of volatility. Though low by historical standards, U.S. interest rates are still higher than most developed countries. For that reason, foreign demand for U.S. Treasury's reached a record high this year, up 7% from a year ago, and has kept long-term rates low. Since investment-grade and high-yield corporate bonds are tied to corporate earnings, default risk will remain low due to still-solid economic and corporate conditions.

Global Growth Stabilizes

International equities underperformed last quarter as trade tensions escalated, manufacturing activity contracted, and the U.S. dollar rose. Trade and other geopolitical uncertainties, including Brexit, are likely to keep volatility elevated, but expect growth to stabilize and returns to improve. Global growth peaked early last year and has been decelerating since April 2018 as growth in Europe and China fizzled amid political and trade uncertainty. In response to weaker growth, major central banks around the world have either started or continued to ease monetary policy to stimulate economic growth. While such stimulus efforts typically lag in affecting the economy, they can improve the growth outlook and provide support. Global manufacturing activity continues to struggle in the face of weaker global trade and shaken business confidence, with export-reliant economies such as Germany the most affected. Positively, most major economies are experiencing better trends in their services sectors and tight labor markets, which means the global economy is not likely headed into a recession.

Victoria Capital's Strategy Update

We frequently receive advertisements from other money managers who claim superior results. You probably do too! One of the interesting emails from a well-known money manager for many years, Bill Miller, flaunted that his latest fund creation had “outperformed 99% of Value and Growth Peers.” To be more specific: “the fund (Class I Shares) outperformed 99% of 5,495 Morningstar U.S. equity funds from the 3/9/09 market low through 9/30/19.” (Note that the fund has various share classes and wide return differences among the classes). To emphasize the “superior” results of this fund, the email included the following: “The Fund traded at a 40% discount to the S&P 500 on a price-to-earnings basis as of 9/30/19.”

We thought that this fund sounded like a good bogey to compare with our Thematic Growth Equity portfolio. After all, many market observers believe that value outperforms growth most of the time. The periodic return analysis below provides an interesting picture and demonstrates that our Growth Equity portfolio produces returns better than the Miller Opportunity Trust!!

	1 Year	3 Year	5 Year	10 Year
Miller Opportunity Trust	-17.04%	9.55%	6.88%	10.62%
VCM Growth Equity	-2.19%	19.98%	11.08%	12.91%
Difference in Total Return	14.85%	7.43%	4.20%	2.29%

An even more interesting lure is the measurement period: ten years from September 30, 2009 to September 30, 2019. How convenient that they left out the fund inception of March 9, 2009 or 6 months of returns. In other words, the performance period includes only one bull market, not a single bear market. There is a reason for the slick marketing!

Let's go back to 2011 and quote from an article in Time magazine by Dan Kadlec about Miller's performance: "Miller is a rare fund manager who outperformed the S&P 500 for 15 consecutive years, 1991 through 2005. Not even Peter Lynch could match such a run. Had you invested $10,000 with him at the start of that period it would have become $98,079. That's called knocking the cover off the ball. In the same period, $10,000 in the S&P 500 would have grown to just $51,354. But things went very wrong for Miller after that, especially when the financial crisis hit, and he failed to comprehend the depth of the problems at banks and the severity of the recession. He began loading up on falling bank stocks much too early and in 2008 his fund lost 55% of its value. The investor exodus began, and fund assets that had totaled more than $20 billion in 2006 today stand at just $2.8 billion."

Obviously, the comparison stops short of an evaluation of these two strategies over a bear market. Fortunately, the long-term track record of the VCM Growth Equity portfolio goes back to 1994 and includes two major bear markets. To drill down on the data, check out our Third Quarter Fact Sheet coming soon!

Redhawk's Strategy Update

A rally on Friday propelled the major U.S. stock indexes to weekly gains of around 1%, snapping a three-week string of declines. Developments in the U.S. and China trade dispute were the key catalyst, playing a big role in a market decline on Tuesday and Friday's comeback rally. About 10 minutes before U.S. markets closed on Friday, U.S. and Chinese negotiators announced a partial trade deal between the world's two largest economies. The tentative agreement includes a U.S. retreat from a threatened tariff increase, a Chinese commitment to buy U.S. farm products, and language addressing differences over intellectual property and financial services. Progress was reported in informal Brexit talks between the United Kingdom and the European Union, leading to expectations of an October 17 meeting between EU leaders and U.K. Prime Minister Boris Johnson. U.K. stocks and the British pound rallied on news of the potential breakthrough ahead of an October 31 Brexit deadline.

The latest reading on U.S. inflation showed that the Consumer Price Index was unchanged in September relative to the prior month, the weakest inflation reading in eight months. The latest data could alleviate concerns that further interest-rate cuts by the U.S. Federal Reserve could unleash a spike in inflation. The U.S. Federal Reserve announced plans to buy Treasury debt to increase the size of its balance sheet and prevent a recurrence of recent stresses in the repo market, which provides short-term funding for corporate borrowers. The Fed planned to begin initial purchases of $60 billion in Treasury bills starting Tuesday. The bond price rally of recent weeks stalled, as the yield of the 10-year U.S. Treasury bond climbed to its highest level in three weeks, exceeding 1.70% on Friday. Yields also climbed in other key developed markets, owing in part to indications of progress by negotiators trying to resolve the U.S. and China trade dispute and the Brexit impasse.

Redhawk Model Signals

Time Period:				10/14/2019	10/7/2019
Redhawk S&P 500 and Dynamic Portfolios (RSPC, RSPM, RSPA, RDC, RDM, RDA)	Symbol		Action	Redhawk Score	Redhawk Score
Bank Loan	SRLN	SPDR® Blackstone / GSO Senior Loan ETF	BYLD		
Utilities	VPU	Vanguard Utilities ETF		106.32	105.36
Short-term Bond	SLQD	iShares 0-5 Year Invmt Grade Corp Bd ETF		104.16	103.06
Intermediate Copre-Plus Bond	BYLD	iShares Yield Optimized Bond ETF		96.33	84.64
Ultrashort-Term Bond	GSY	Guggenheim Ultra Short Duration ETF		88.16	88.01
Corporate Bond	IGIB	iShares Intermediate-Term Corp Bd ETF		87.85	83.55
High Yield Bond	HYLB	Xtrackers USD High Yield Corp Bd ETF		87.10	87.78
Large Value	DGRO	iShares Core Dividend Growth ETF		84.61	92.15
Consumer Cyclical	XLY	Consumer Discret Sel Sect SPDR® ETF		82.09	88.71
Industrials	XAR	SPDR® S&P Aerospace & Defense ETF		81.52	84.07
Short-Term Bond	SPSB	SPDR® Portfolio Short Term Corp Bd ETF		79.39	78.29
Foreign Large Value	HDEF	Xtrackers MSCI EAFE High Div Yld Eq ETF		78.30	84.64
Ultrashort-Term Bond	ICSH	iShares Ultra Short-Term Bond ETF		77.39	77.24
Large Blend	VOO	Vanguard S&P 500 ETF		76.62	77.40
Mid-Cap Value	XMLV	Invesco S&P MidCap Low Volatility ETF		74.77	88.49
Small Value	XSLV	Invesco S&P SmallCap Low Volatility ETF		73.33	90.68

Redhawk Environmental, Social, and Governance Portfolio (RESG)	Symbol		Action	Redhawk Score	Redhawk Score
Global Real Estate	CSSPX	Cohen & Steers Global Realty I		104.95	102.09
Corporate Bond	CBFSX	JPMorgan Corporate Bond I		91.57	87.27
Large Value	BEGIX	Sterling Capital Equity Income I		75.91	83.45
Large Blend	VFTAX	Vanguard FTSE Social Index Admiral		74.36	75.14
Mid-Cap Growth	AVEGX	Ave Maria Growth		72.27	64.65
Large Growth	CEYIX	Calvert Equity I		71.53	64.13

Redhawk Income Portfolios (RBI, RHY, RTHI)	Symbol		Action	Redhawk Score	Redhawk Score
Bank Loan	SRLN	SPDR® Blackstone / GSO Senior Loan ETF	BYLD		
Bank Loan	BKLN	Invesco Senior Loan ETF	IGSB		
Long-Term Bond	SPLB	SPDR® Portfolio Long Term Corp Bd ETF		121.25	109.91
Short-Term Bond	IGSB	iShares Short-Term Corporate Bond ETF		105.97	
Corporate Bond	LQD	iShares iBoxx $ Invmt Grade Corp Bd ETF		105.12	101.62
High Yield Bond	FALN	iShares Fallen Angels USD Bond ETF		100.46	116.05
Intermediate Core-Plus Bond ETF	BYLD	iShares Yield Optimized Bond ETF		96.33	
Corporate Bond	IGIB	iShares Intermediate-Term Corp Bd ETF		87.85	86.06
High Yield Bond	HYLB	Xtrackers USD High Yield Corp Bd ETF		87.10	103.56

Redhawk Liquid Income Portfolios (LINCC, LINCM, LINCA, LINCB)	Symbol		Action	Redhawk Score	Redhawk Score
Bank Loan	SRLN	SPDR® Blackstone / GSO Senior Loan ETF	BYLD		
High Yield Muni	NHMRX	Nuveen High Yield Municipal Bond I		108.89	116.70
Short-term Bond	SLQD	iShares 0-5 Year Invmt Grade Corp Bd ETF		101.45	106.44
Intermediate Core-Plus Bond ETF	BYLD	iShares Yield Optimized Bond ETF		96.33	
Muni National Long	VWAHX	Vanguard High-Yield Tax-Exempt		95.17	98.02
Ultrashort-Term Bond	GSY	Guggenheim Ultra Short Duration ETF		89.96	94.16
Corporate Bond	IGIB	iShares Intermediate-Term Corp Bd ETF		88.43	88.25
High Yield Bond	HYLB	Xtrackers USD High Yield Corp Bd ETF		87.10	111.84
Muni National Long	FTABX	Fidelity® Tax-Free Bond		84.89	85.28
Short-term Bond	SPSB	SPDR® Portfolio Short Term Corp Bd ETF		82.85	87.30
Ultrashort-Term Bond	ICSH	iShares Ultra Short-Term Bond ETF		76.86	82.38
Muni National Interm	VWIUX	Vanguard Interm-Term Tx-Ex Adm		73.87	73.36
Muni National Interm	AXBIX	American Century IntermTrm Tx-Fr Bd I		71.27	72.42

Redhawk Growth Stock Portfolio (RGS)	Redhawk Score & Action	Redhawk High Dividend Stock Portfolio (RHDS)	Redhawk Score & Action
Vipshop Holdings (VIPS)	99	Buckle Inc (BKE)	99
Celgene (CELG)	96	The Cato Corp Class A (CATO)	99
Generac Holdings Inc (GNRC)	96	Schweitzer-mauduit International Inc (SWM)	99

Generac Holdings Inc (GNRC)	[illegible]	Schweitzer-mauduit International Inc (SWM)	[illegible]
Lockhead Martin (LMT)	95	Enterprise Products Partners LP (EPD)	98
Cbre Inc (CBRE)	95	Bristol-myers Squibb Co (BMY)	98
Booz Allen Hamilton Holding (BAH)	93	Ciner Resources LP (CINR)	98
Netease Inc (NTES)	92	International Business Machines (IBM)	97
CDW (CDW)	92	CVS Health (CVS)	97
Microsoft (MSFT)	91	Seagate Technology PLC (STX)	97
Synopsys Inc (SNPS)	91	Verizon Communications Inc (VZ)	97
Teradyne Inc (TER)	88	AT&T Inc (T)	96
Estee Lauder Companies Inc (EL)	88	Cardinal Health Inc (CAH)	96
Chemed (CHE)	88	Gilead Sciences Inc (GILD)	96
Burlington Stores Inc (BURL)	88	Enel America SA (ENIA)	96
Cintas (CTAS)	87	General Mills Inc (GIS)	95
Fleetcor Technologies Inc (FLT)	87	Wayside Technology Group Inc (WSTG)	95
Icon (ICLR)	86	Cypress Energy Partners LP (CELP)	95
Ansys Inc (ANSS)	86	Shell Midstream Partners LP (SHLX)	94
Activision Blizzard Inc (ATVI	86	Ethan Allen Interiors Inc (ETH)	94
Darden Restaurants Inc (DRI)	86	NASB Financial Inc (NASB)	93
Lululemon Athletica Inc (LULU)	86	Telefonica Brasil SA (VIV)	91
Heico (HEI)	85	Innophos Holdings Inc (IPHS)	91
Alpahbet Inc (GOOGL)	84	Chevron Corp (CVX)	90
Edwards Lifesciences (EW)	84	Companhia Energetica De Minas Gerais Cemig (CIG	90
L3Harris Technologies Inc (LHX)	83	Proctor & Gamble Co (PG)	89
Fair Isaac (FICO)	83	Glaxosmithkline (GSK)	88
Cadence Design Systems Inc (CDNS)	81	Kellog Co (K)	88
Veeva Systems Inc (VEEV)	81	Magellan Midstream Partners LP (MMP)	87
Epam Systems Inc (EPAM)	80	Valero Energy Corp (VLO)	87
Vulcan Materials Co (VMC)	80	Dorchester Minerals LP (DMLP)	81
Old Dominion Freight Line Inc (ODFL)	79	Duke Energy (DUK)	79
Martin Marietta Materials (MLM)	79	Phillips 66 Partners LP (PSXP)	77
Thermo Fisher Scientific Inc (TMO)	78	Exxon Mobil (XOM)	75

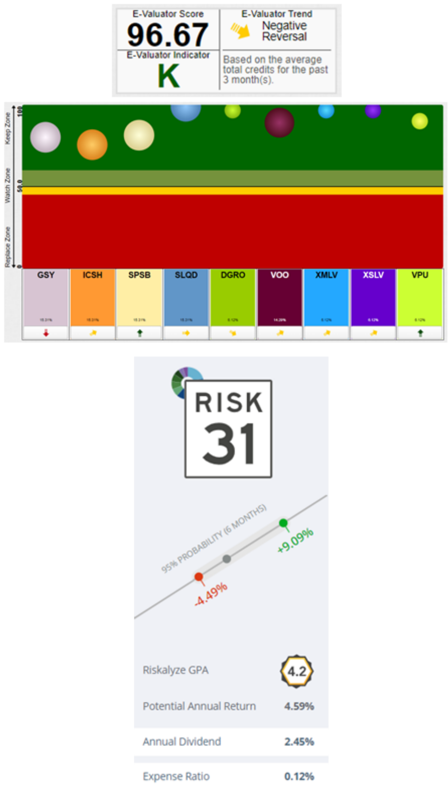
Victoria Capital Management Target Return Portfolios (TRCI, TRMI, TRAI, TRCE, TRCM, TRAE, TRIP)	Symbol		Action	Redhawk Score	Redhawk Score
Small Value	VBR	Vanguard SC Val Idx ETF		86.97	93.34
Large Value	DGRO	iShares Core Div Growth ETF		84.07	91.61
Corporate Bond	VCIT	Vanguard Int Crp Bd ETF		81.50	77.20
Large Blend	SPLG	SPDR Portfolio Large Cap ETF		81.30	82.08
High Yield Bond	HYG	iShares iBoxx $HY Corp ETF		80.03	80.71
Large Blend	IVV	iShares Core S&P 500 ETF		77.42	78.20
Large Blend	IWB	iShares Russell 1000		76.89	77.67
Small Blend	VB	Vanguard Small-Cap ETF		76.68	85.09
Mid-Cap Blend	SCHM	Schwab DJ Mid Cap Core		71.71	77.90
Large Value	VTV	Vanguard Value Idx ETF		71.40	78.94
Small Value	IWN	iShares Russell 2000 Value		62.81	80.16
Small Growth	VBK	Vanguard SC Gr Idx ETF		48.22	42.13
Large Value	VYM	Vanguard High Dividend Yield ETF		47.95	55.49
High Yield Bond	SHYG	iShares 0-5 HY Corp Bd ETF		35.01	35.69
Mid-Cap Value	MDYV	SPDR S&P 400 Mid Cap Val ETF		31.85	45.57
Small Blend	IJR	iShares S&P Small Cap Core		20.26	28.67
Mid-Cap Growth	MDYG	SPDR S&P 400 Mid Cap Gro ETF		(17.30)	(24.92)

Keep	Keep.	
Watch	Watch.	
Replace	Replace with another fund or cash.	FUND

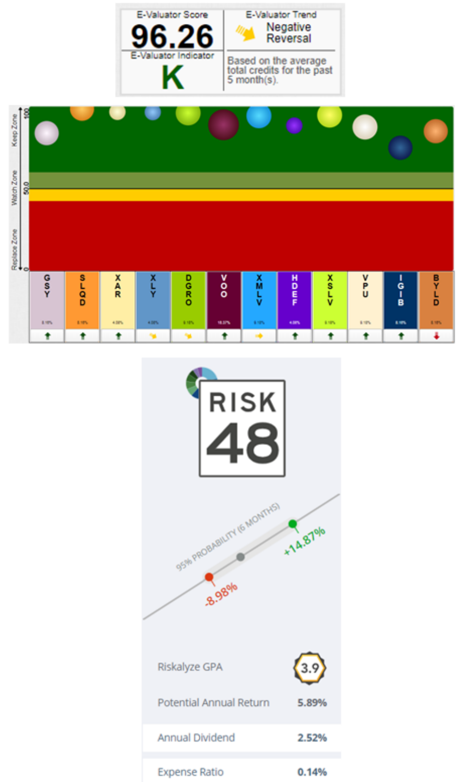
S&P and Dynamic Portfolios: Kept the Mid-Cap Value (XMLV), Consumer Cyclical (XLY), Industrials (XAR), and Foreign Large Value (HDEF) sub-categories on the watch list due to performance. Placed the Small Value sub-category (XSLV) on the watch list due to underperformance. Replaced the Bank Loan sub-category (SRLN) with the Intermediate Core-Plus Bond sub-category (BYLD) due to underperformance.

S&P and Dynamic Portfolio Bubble Reports as of 9/30/2019

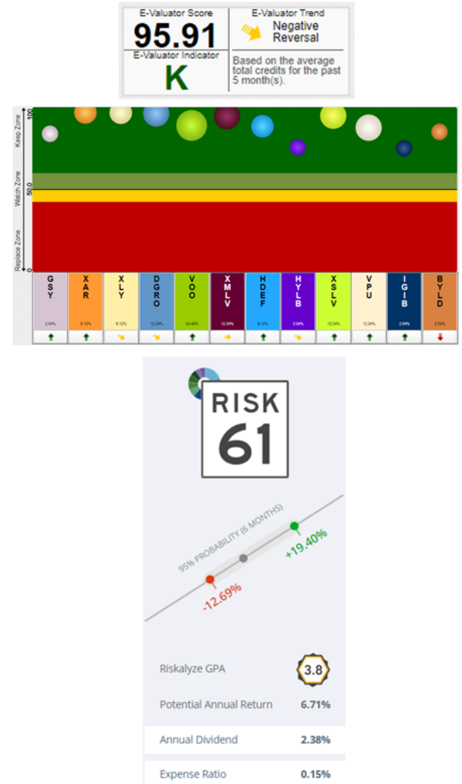
RSPC



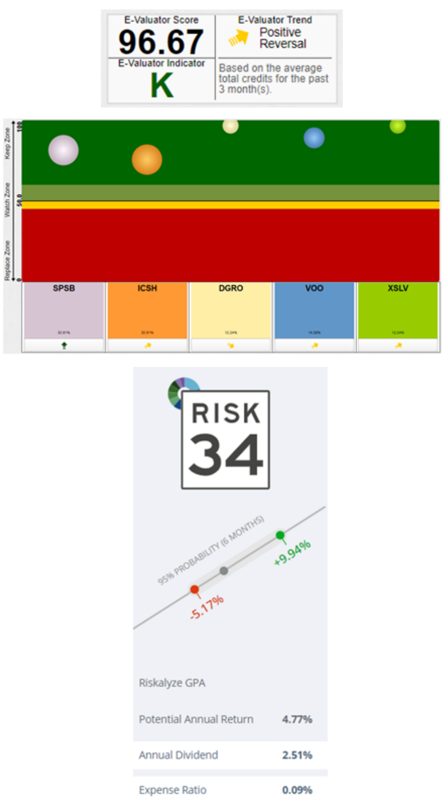
RSPM



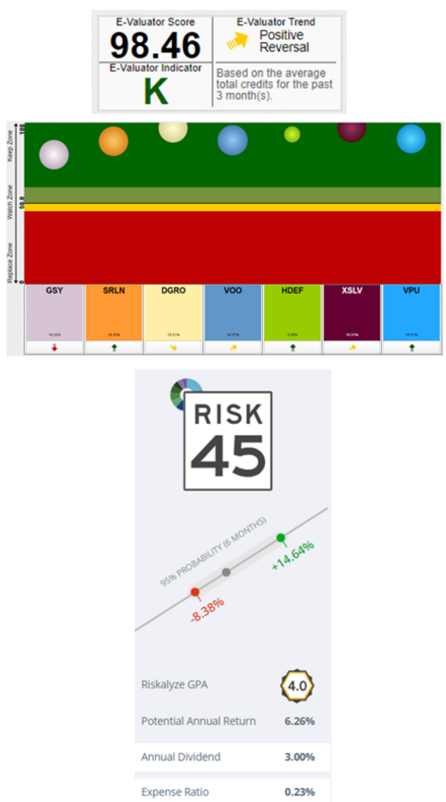
RSPA



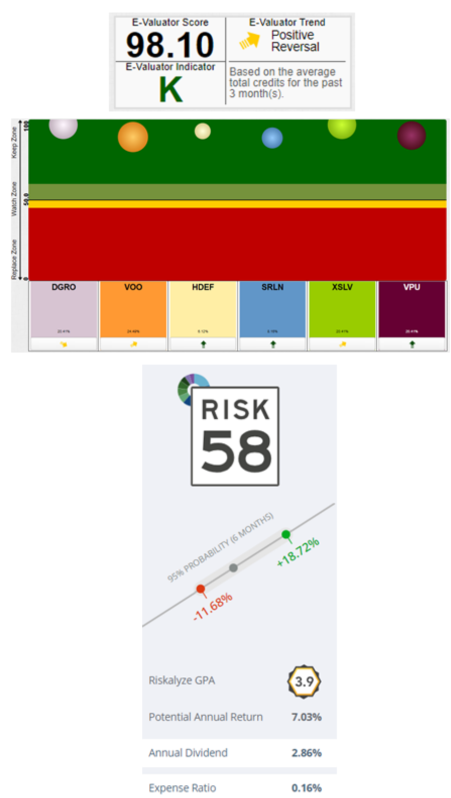
RDC



RDM



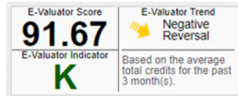
RDA

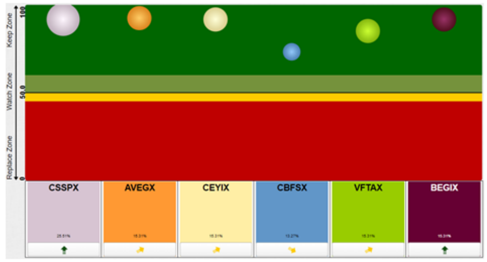


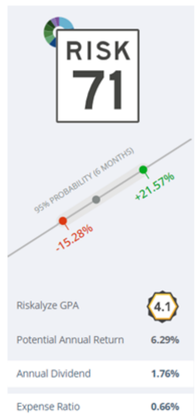
Environmental, Social, and Governance Portfolio: No changes.

Portfolio Bubble Reports as of 9/30/2019

RESG



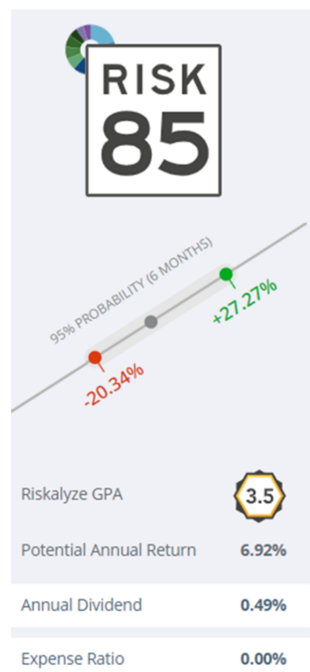




Growth Stock Portfolio: No changes.

RGS

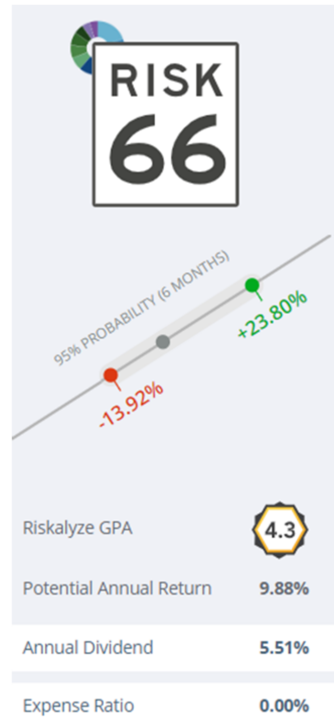
Ticker	Name	Last Price	Change	% Change	Yield	Stock Rank™
CBRE	Cbre Inc	50.81	+0.1	+0.3		95
GNRC	Generac Holdings Inc	77.56	-0.4	-0.6		95
LMT	Lockheed Martin	385.21	+0.3	+0.1	2.5	95
BAH	Booz Allen Hamilton Holding	70.49	-0.3	-0.5	1.3	93
NTES	Netease Inc	264.40	+0.8	+0.3	1.0	93
CDW	Cdw	122.63	+0.2	+0.2	1.0	92
MSFT	Microsoft	137.75	-0.4	-0.3	1.5	91
SNPS	Synopsys Inc	138.75	0.0	0.0		90
GOOGL	Alphabet Inc	1,215.70	+4.7	+0.4		90
BURL	Burlington Stores Inc	193.55	-0.4	-0.2		89
EL	Estee Lauder Companies Inc	196.89	-1.2	-0.6	0.9	88
TER	Teradyne Inc	59.51	-0.4	-0.7	0.6	88
CHE	Chemed	417.45	+5.0	+1.2	0.3	88
DRI	Darden Restaurants Inc	116.05	-0.4	-0.3	3.0	87
CTAS	Cintas	262.29	-0.6	-0.2	0.8	87
ANSS	Ansys Inc	223.63	-1.0	-0.4		86
LULU	Lululemon Athletica Inc	191.76	-1.4	-0.7		86
FLT	Fleetcor Technologies Inc	285.73	-4.0	-1.4		85
HEI	Heico	122.70	-1.0	-0.8	0.1	85
EW	Edwards Lifesciences	223.72	-5.7	-2.5		85
ATVI	Activision Blizzard Inc	55.48	+0.0	+0.1	0.7	84
ICLR	Icon	148.42	+0.6	+0.4		84
FICO	Fair Isaac	310.06	+0.1	+0.0		83
MLM	Martin Marietta Materials Inc	262.56	+0.6	+0.2	0.8	83
CDNS	Cadence Design Systems Inc	66.07	+0.2	+0.2		82
VEEV	Veeva Systems Inc	152.30	-1.7	-1.1		81
LHX	L3harris Technologies Inc	206.50	-1.3	-0.6	1.4	81
VMC	Vulcan Materials Co	147.95	+0.9	+0.6	0.8	80
EPAM	Epam Systems Inc	189.55	+0.6	+0.3		80
ODFL	Old Dominion Freight Line Inc	163.03	+0.3	+0.2	0.4	78
TMO	Thermo Fisher Scientific Inc	291.75	-0.5	-0.2	0.3	77



High Dividend Stock Portfolio: No changes.

RHDS

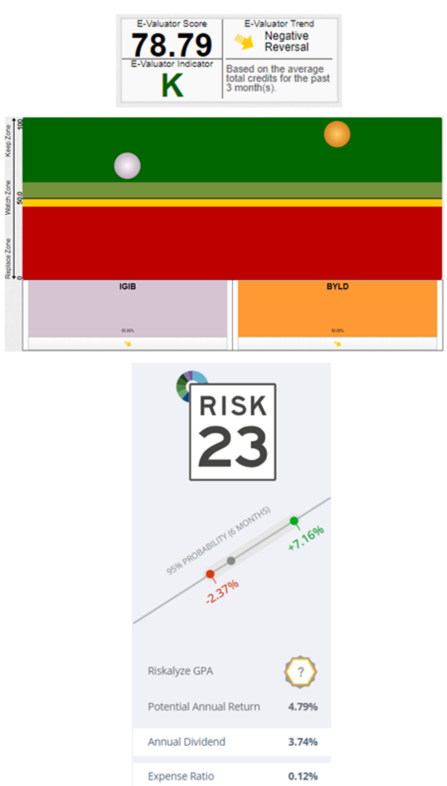
Ticker	Name	Last Price	Change	% Change	Yield	Stock Rank™
SWM	Schweitzer-mauduit International Inc	36.90	-0.3	-0.9	4.7	99
EPD	Enterprise Products Partners Lp	28.03	+0.1	+0.2	6.3	98
BMY	Bristol-myers Squibb Co	51.06	+0.3	+0.6	3.2	98
CINR	Ciner Resources Lp	17.66	-0.1	-0.8	7.6	98
IBM	International Business Machines	142.17	-0.8	-0.6	4.5	98
VZ	Verizon Communications Inc	60.25	+0.4	+0.6	4.1	97
STX	Seagate Technology	53.89	+0.2	+0.4	4.7	97
CVS	Cvs Health	62.32	+0.1	+0.1	3.2	97
GILD	Gilead Sciences Inc	63.32	+0.8	+1.2	4.0	96
CAH	Cardinal Health Inc	46.02	0.0	-0.1	4.2	96
ENIA	Enel Americas Sa	9.51	0.0	-0.4	4.3	96
VIV	Telefonica Brasil Sa	13.01	-0.2	-1.4	14.3	95
WSTG	Wayside Technology Inc	14.68	+0.0	+0.2	4.6	95
GIS	General Mills Inc	54.55	+0.3	+0.5	3.6	95
T	At&t Inc	37.74	+0.2	+0.6	5.4	95
CELP	Cypress Energy Partners Lp	8.97	+0.1	+0.8	9.4	94
SHLX	Shell Midstream Partners Lp	20.94	+0.0	+0.2	8.2	94
NASB	Nasb Financial Inc	41.99	0.0	0.0	4.8	93
ETH	Ethan Allen Interiors Inc	18.66	+0.1	+0.7	4.5	93
IPHS	Innophos Holdings Inc	32.18	-0.2	-0.5	5.9	91
CIG	Companhia Energetica De Minas Gerais Cemig	3.35	0.0	-1.5	7.7	90
CVX	Chevron	114.52	+0.7	+0.6	4.2	89
PG	Procter & Gamble Co	123.44	-0.6	-0.5	2.4	89
GSK	Glaxosmithkline	42.27	+0.3	+0.7	4.8	88
MMP	Magellan Midstream Partners Lp	65.77	+0.4	+0.6	6.2	88
VLO	Valero Energy	84.14	-0.4	-0.4	4.3	86
K	Kellogg Co	62.80	0.0	0.0	3.6	85
DMLP	Dorchester Minerals Lp	17.78	-0.1	-0.8	10.7	80
DUK	Duke Energy	96.75	-0.4	-0.4	3.9	78
PSXP	Phillips 66 Partners Lp	55.27	+0.1	+0.2	6.2	76
XOM	Exxon Mobil	68.91	-0.1	-0.1	5.0	75



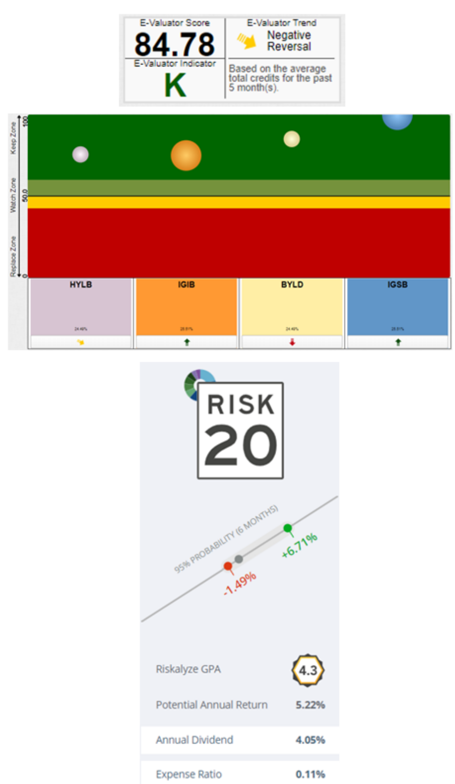
High Income Portfolios: Replaced the Bank Loan sub-category (SRLN and BKLN) with the Intermediate Core-Plus Bond sub-category (BYLD) and the Short-Term Bond sub-category (IGSB) due to performance.

High Income Portfolio Bubble Reports as of 9/30/2019

RBI



RHY



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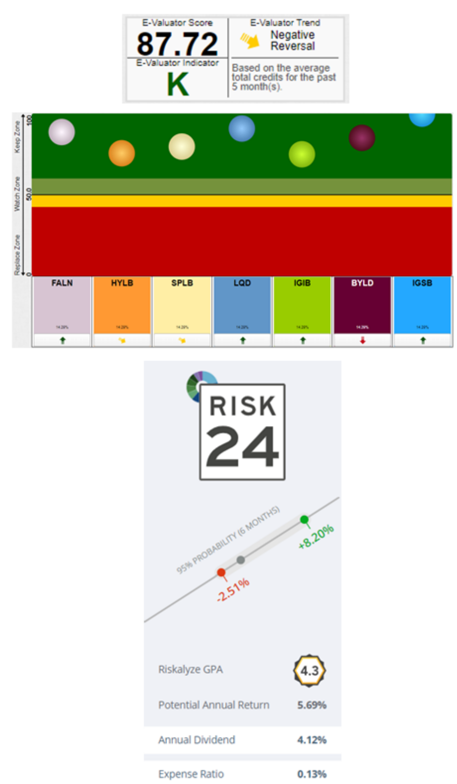
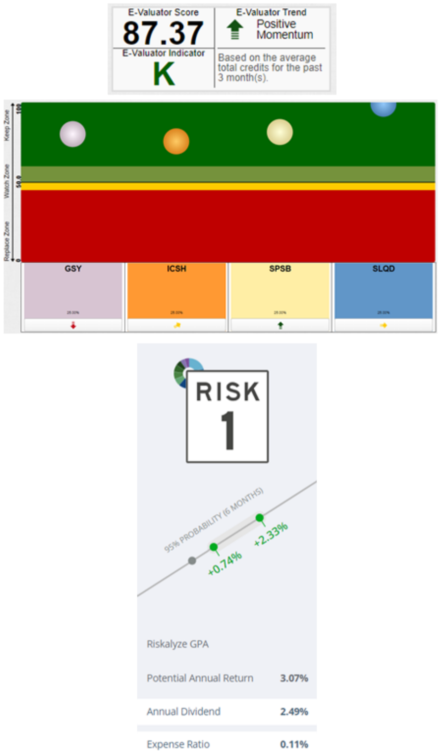
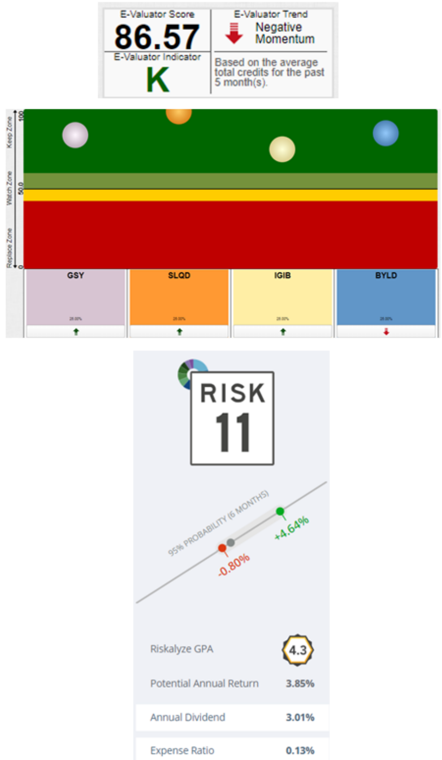


Liquid Income Portfolios: Replaced the Bank Loan sub-category (SRLN) with the Intermediate Core-Plus Bond sub-category (BYLD) due to performance.

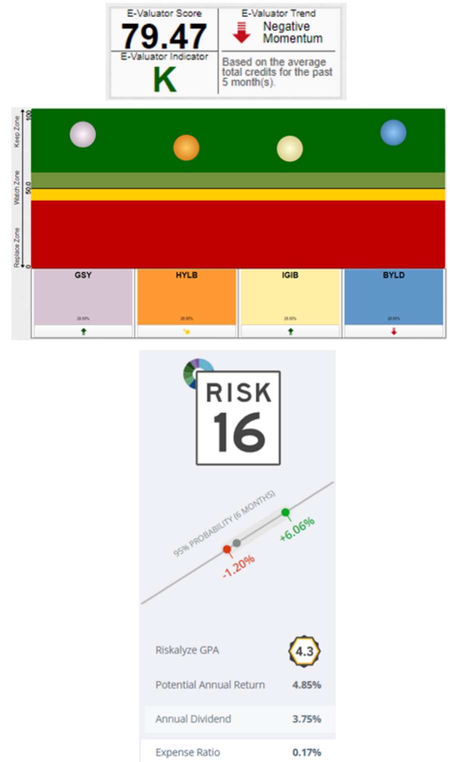
LINCC



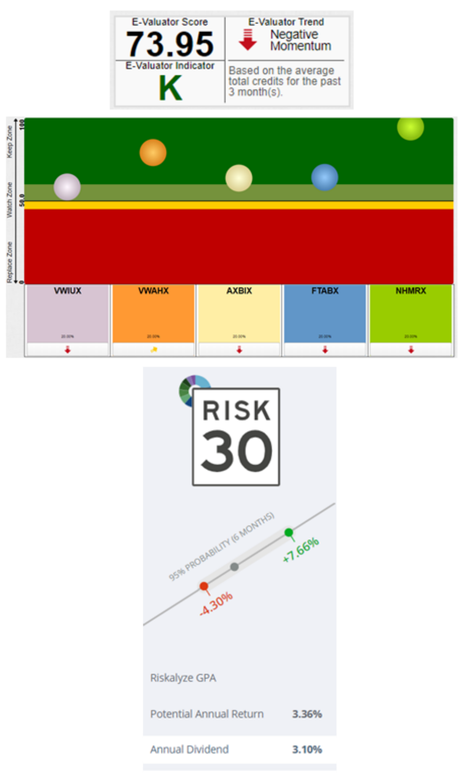
LINCM



LINCA



LINCB



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Economic Data for this Week

Monday:

1. No major reports scheduled.

Tuesday:

1. No major reports scheduled.

Wednesday:

1. Retail sales, U.S. Census Bureau.
2. Business inventories, U.S. Census Bureau.
3. Housing Market Index, National Association of Home Builders.

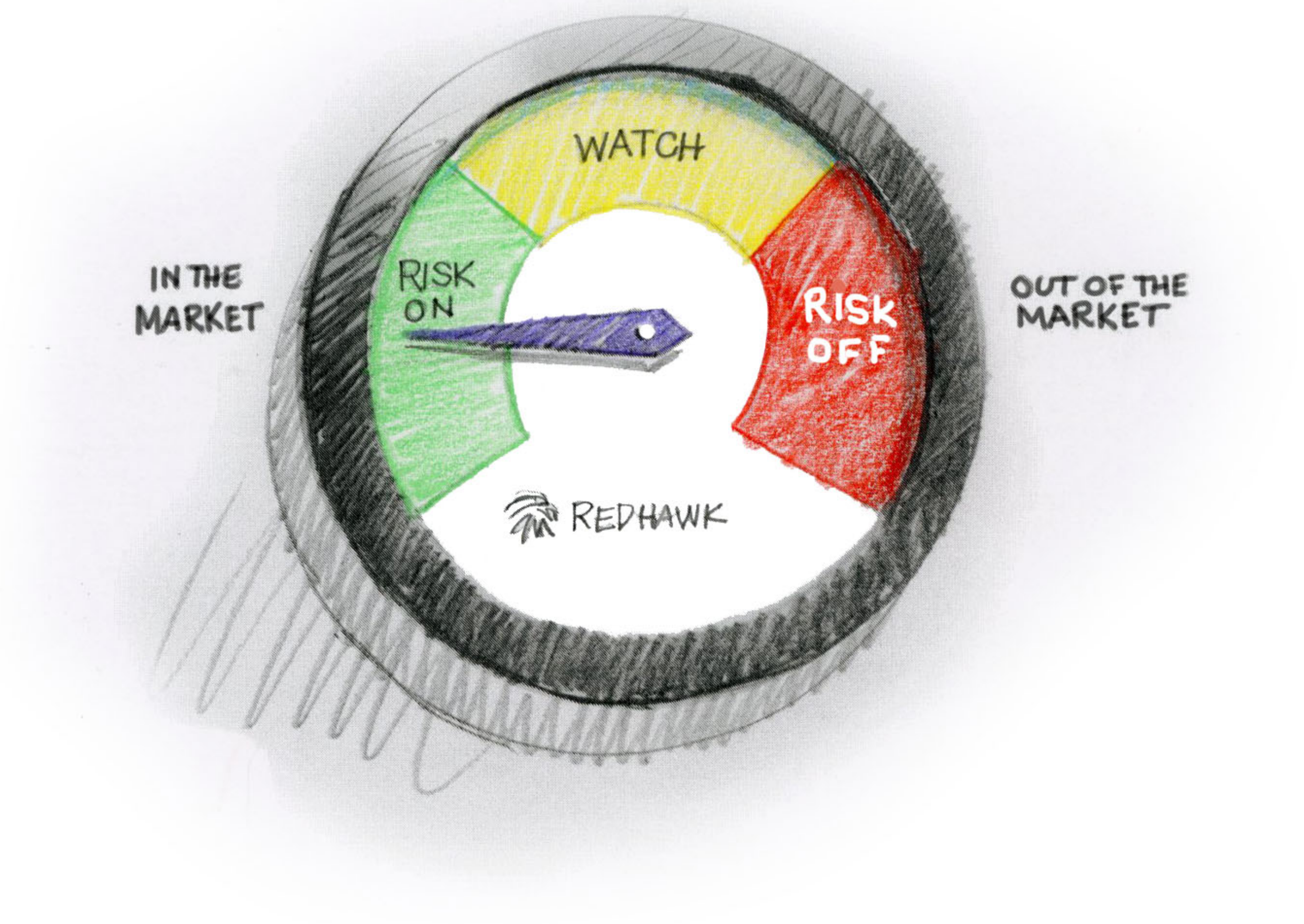
Thursday:

1. Housing starts, U.S. Census Bureau.
2. Industrial production and capacity utilization, U.S. Federal Reserve.

Friday:

1. The Conference Board Leading Economic Index for the U.S.

On 9/13, the "Risk On" algorithm tripped, and we continue to stay invested in equities. As mentioned last week, we are including the signals for the Redhawk Growth Stock Portfolio (RGS) and the Redhawk High Dividend Stock Portfolio (RHDS).



Portfolio Managers

VICTORIA
Capital Management, Inc.

The Target Return (TR) portfolios consist of a blend of exchange-traded funds (ETFs) to provide a range of risk and return characteristics that should meet the needs of investors saving for retirement. Each of these portfolios is designed to achieve a long-term target rate of return. By utilizing low cost ETFs and by keeping portfolio turnover low, the ability to produce targeted rates of return is dramatically increased. For investors seeking current income, the TR Income Portfolio (TRIP) has been structured to focus on producing both high current income and growing dividend income. The goal of the Victoria Capital Growth (VCG) portfolio is to provide long-term growth through a diversified portfolio of individual equities. A theme-based investment strategy concentrates investments in common stocks of companies that are expected to grow faster than the overall economy. Owning individual stocks gives greater flexibility to make changes on a stock by stock basis for each client. By applying a bottom-up defensive tactical trading discipline, substantial portfolio reserves can be generated.