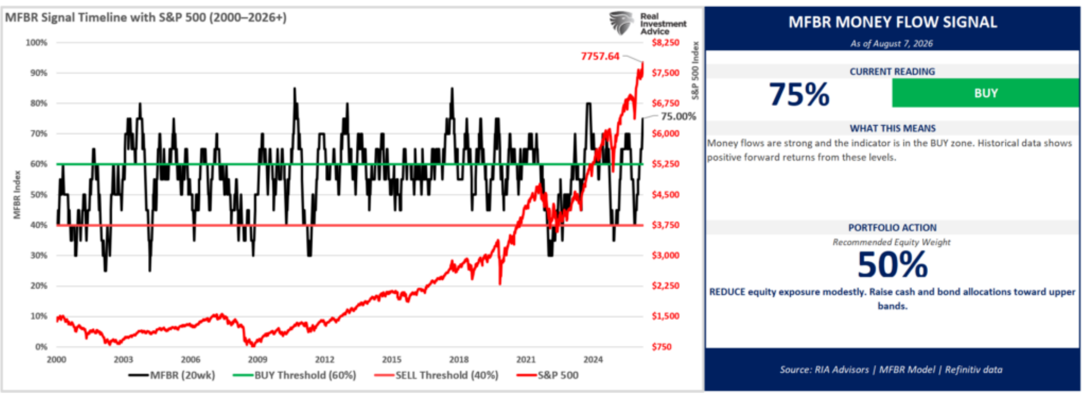
Trade Alert - Equity & Dividend Equity Growth Models

In this past weekend's ***Bull Bear Report***, the MFBR (Moneyflow and Breadth Indicator) reached 70, a historically contrarian signal to be more cautious in the market. To wit:

> *?As of August 7, 2026, with the S&P 500 at 7,757.64, the Money Flow Breadth Ratio (MFBR) stands at 75% and rising, versus 70% the prior week ? a 10 percentage-point increase over the trailing four weeks. This places the indicator in extreme overbought territory (75% or higher). The raw breadth signal still reads BUY, but the MFBR is a contrarian indicator at extremes:* ***readings this stretched have historically been followed by below-average forward returns, so the model treats this as a caution flag rather than a green light to add risk.***
>
> *The model currently recommends reducing equity exposure to a target weight of 50%. Against your current equity weight of 63%, that implies reducing equity exposure by roughly 13 percentage points.* ***The trim is driven by the contrarian grid rather than by weak breadth ? the model takes profits into strength when participation reaches extremes.***
>
> *Breadth this stretched is a profit-taking signal, not a chase signal. The model?s message is to sell into strength, move down to the target weight, and reassess next week.?*



With that perspective, we are rebalancing our equity and dividend portfolios. Some of the equity holdings (MSFT, PLTR, NVDA, and AMZN) have grossly outperformed our other holdings, causing their model weight to rise significantly. For instance, since July 29th, Microsoft is up by nearly 30%, pushing its model weight from 5.00% to 6.62%. We are trimming it back to 5%. The net result of our trades will be to take some profits and reduce our exposure back to our preferred equity allocation.

Also note that we are replacing OKE with WMB and GS for BLK for technical and performance reasons. We are also rebalancing all appropriate stocks in our dividend-focused equity model to model weights.

Thematic Models

In the thematic models, we are rebalancing the following models:

- **AI Portfolio Model**
- **Infrastructure Model**
- **High Dividend Income Portfolio**

Equity Model Trades

- *Sell 100% of OKE and buy 1.5% of the portfolio in WMB.*
- *Sell 100% of BLK and buy 2% of the portfolio in GS.*

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