



July 2011

Current Strategy Allocations

CORE STRATEGIES

TWM Tactical Balanced

- NASDAQ 9.75%
- Emerging Market Bonds 24.00%
- Treasury Bonds 19.20%
- Cash 47.05%

TWM All Weather

- NASDAQ 17.00%
- S&P 500 17.00%
- Inverse S&P 500 0.00%
- REITs 17.00%
- TIPS 17.00%
- Emerging Market Bonds 6.00%
- Treasury Bonds 4.80%
- Commodities 17.00%
- Cash 4.20%

TWM Endowment

- NASDAQ 15.60%
- Emerging Market Bonds 9.50%
- Treasury Bonds 7.60%
- Cash 67.30%

TWM Market Masters

- NASDAQ 19.50%
- Cash 80.50%

TWM Tactical Multi-Strategy

- NASDAQ 24.00%
- S&P 500 12.00%
- Inverse S&P 500 0.00%
- REITs 12.00%
- Emerging Market Bonds 12.00%
- Treasury Bonds 10.00%
- Commodities 12.00%
- Cash 18.00%

Monthly Strategy Returns

Core Strategies	
TWM Tactical Balanced	-0.95%
TWM All Weather	0.31%
TWM Endowment	-1.12%
TWM Market Masters	-1.60%
TWM Tactical Multi-Strategy	0.05%
TWM Momentum Series: Tactical Allocation	-0.58%
TWM Momentum Series: Tactical Growth	-2.59%
Income Strategies	
TWM Income	1.47%
TWM <i>Momentum Series</i> : Tactical Income	0.36%
TWM IncomePlus	-0.30%
Specialized Strategies	
TWM Capital	0.59%
TWM Core Tactical	1.75%
TWM <i>Momentum Series</i> : Tactical All Asset	-1.11%
TWM Global Tactical	-0.62%
TWM Alpha	0.35%
TWM 500	-0.86%
TWM NASDAQ	1.36%
Selected Stock Strategies	
TWM Flagship	0.70%
TWM Legends	-2.08%
TWM Beta	6.74%
S&P 500 Comparison	-2.03%

MOMENTUM Series: Tactical Allocation

• Russell 1000	5.00%
• MSCI EAFE	2.00%
• Emerging Market Stocks	17.00%
• Barclay's Aggregate Bond ETF	13.00%
• TIPS	22.00%
• High Yield Bonds	10.00%
• REITs	20.00%
• Commodities	8.00%
• Cash	3.00%

MOMENTUM Series: Tactical Growth

• Treasury Bonds	24.25%
• Gold	24.25%
• NASDAQ	24.25%
• Cash	27.25%

INCOME STRATEGIES

TWM Income

• Barclay's Aggregate Bond ETF	20.00%
• TIPS	20.00%
• High Yield Bonds	20.00%
• Long-term U.S. Treasury Bonds	24.00%
• Inverse U.S. Treasury Bonds	0.00%
• Emerging Market Bonds	10.00%
• Cash	6.00%

MOMENTUM Series: Tactical Income

• Corporate Bonds	14.00%
• High Yield Bonds	5.00%
• Emerging Market Bonds	17.00%
• Barclay's Aggregate Index ETF	8.00%
• TIPS	23.00%
• Long-term U.S. Treasury Bonds	16.00%
• Dividend Stocks	11.00%
• Cash	6.00%

TWM IncomePlus

• High Yield Bonds	
• Cash	

SPECIALIZED STRATEGIES

TWM Capital

• PIMCO All Asset	6.00%
• PIMCO All Asset All Authority	6.00%
• IVY Asset Strategy	5.00%
• Blackrock Global Allocation	5.00%
• Rydex L/S Commodities	4.00%
• Leuthold Asset Allocation	4.00%
• Alpha Hedged Strategies	4.00%
• Permanent Portfolio	15.00%
• Rydex Managed Futures	7.00%
• PIMCO Unconstrained Bond	15.00%
• PIMCO Total Return	10.00%
• Rydex L/S Interest Rates	5.00%
• Direxion Dynamic	5.00%
• Cash	9.00%

MOMENTUM Series: Tactical All Asset

• REITs	20.00%
• Silver	8.50%
• Gold	8.50%
• Australian Dollar	10.00%
• Swiss Franc	10.00%
• High Yield Bonds	10.00%
• Treasury Bonds	8.00%
• Cash	25.00%

TWM Core Tactical

• Small Cap Growth	2.00%
• Global Water	1.00%
• Inverse U.S. Treasuries	5.00%
• Powershares High Yield	1.00%
• Vanguard Dividend	1.00%
• Matthews Asia Pacific	2.00%
• Emerging Market Div. Stocks	1.00%
• Preferred Shares	2.00%
• S&P 500 Value	2.00%
• PIMCO High Yield	0.00%
• Russell 1000	4.00%
• MSCI EAFE	1.60%
• Emerging Market Stocks	13.60%
• Barclay's Aggregate Bond ETF	10.40%
• TIPS	17.60%

TWM Core Tactical (cont.)

- High Yield Bonds **8.00%**
- REITs **16.00%**
- Cash **11.80%**

TWM Global Tactical

- Small Cap Growth **2.00%**
- Global Water **1.00%**
- Inverse U.S. Treasuries **5.00%**
- Powershares High Yield **1.00%**
- Vanguard Dividend **1.00%**
- Matthews Asia Pacific **2.00%**
- Emerging Market Div. Stocks **1.00%**
- Preferred Shares **2.00%**
- S&P 500 Value **2.00%**
- PIMCO High Yield **0.00%**
- NASDAQ **19.20%**
- S&P 500 **9.60%**
- Inverse S&P 500 **0.00%**
- REITs **9.60%**
- Emerging Market Bonds **9.00%**
- Treasury Bonds **8.00%**
- Commodities **9.60%**
- Cash **18.00%**

TWM Alpha

- S&P 500 **97.00%**
- Inverse S&P 500 **0.00%**
- Cash **3.00%**

TWM 500

- S&P 500 **97.00%**
- Cash **3.00%**

TWM NASDAQ

- NASDAQ **97.00%**
- Cash **3.00%**

SELECTED STOCK STRATEGIES

TWM Flagship

- Russell 1000 **2.00%**
- MSCI EAFE **0.80%**

- Emerging Market Stocks **6.80%**
- Barclay's Aggregate Bond Index ETF **0.00%**
- TIPS **8.80%**
- High Yield Bonds **4.00%**
- REITs **8.00%**
- Apple **10.00%**
- Pfizer **6.50%**
- Wells Fargo **5.00%**
- Qualcomm **5.00%**
- Valeant Pharmaceuticals **6.50%**
- Ebay **5.00%**
- Goodrich **5.00%**
- Google **5.00%**
- Alere **5.00%**
- JP Morgan **6.50%**
- Inverse S&P 500 **0.00%**
- Cash **10.10%**

TWM Legends

- Potash **9.50%**
- Microsoft **14.50%**
- Lukoil **9.50%**
- CF Industries **9.50%**
- Baker Hughes **9.50%**
- Apple **9.50%**
- JP Morgan **6.60%**
- Wells Fargo **5.00%**
- Qualcomm **5.00%**
- Pfizer **5.00%**
- Netflix **3.30%**
- Valeant **3.30%**
- Ebay **3.30%**
- Google **3.30%**
- Bridgepoint Education **0.00%**
- Inverse S&P 500 **0.00%**
- Cash **3.20%**

TWM Beta

- Apple **32.00%**
- Valeant Pharmaceuticals **15.00%**
- JP Morgan **15.00%**
- Qualcomm **19.00%**
- Baidu **15.00%**
- Inverse S&P 500 **0.00%**
- Cash **4.00%**

Another month, another downturn – We finally got a deal on the debt ceiling and we got the relief rally we were expecting, but then something funny happened on the way to a triple-digit Dow Jones Index gain: people remembered that the economy is still not in good shape and Europe is still a basket case.

We had a bad end to last month as the prospects for a debt deal went back and forth. Cash went to the sidelines, waiting to come back in once a deal was imminent. We came into this month with a deal about to be signed. The market opened up with huge gains across the board, then bad economic numbers came out and the rally turned into a sell-off.

We are now at levels which indicate significant technical damage to the market. Most major markets have breached their 100-day moving average, and many have also breached their 200-day moving average. This is technically significant, especially if we remain at these levels or go lower. We are also inches away from a major support level on the S&P 500 at 1250. Below 1250 there is weak support at 1150; the next level with any strong support is at 1050.

Below is a chart of the S&P 500 (courtesy of stockcharts.com). The blue line is the 100-day moving average which was breached a while back. The red line is the 200-day moving average. You can see that we bounced off this level earlier in the year and have now broken through.



The S&P 500 is a blend of growth and value stocks. Below are charts for the S&P 500 Growth Shares

ETF (IVW) and the S&P 500 Value Shares ETF (IVE) (courtesy of stockcharts.com). Both are weak, but growth is significantly stronger than value at this point.



Below is a chart of the NASDAQ 100 ETF (QQQ) (courtesy of stockcharts.com). The trend line is close to its 100-day moving average but has not breached it. From a relative strength standpoint, it is currently the strongest of the major indexes.



Below are two more charts, one is of the Russell 2000 ETF (IWM) representing small cap stocks and the other is the MSCI EAFE ETF (EFA) representing international stocks. (courtesy of stockcharts.com) The EAFE was the first to breach its 200-day moving average as international stocks have been weaker than U.S. Stocks.



We are now at a significant crossroads. Things tend to get interesting around significant levels like the 100-day and 200-day moving average. It is usually not easy to break through levels like this, so it is likely that the Bulls and the Bears will play tug-of-war for a while. Fundamentally, the key issues going forward will be debt, debt, and debt: Europe's, our federal debt, and our state debt. We also need some clarification as to whether the economy is in a *soft patch* or a *double dip*. We have been in the soft patch camp, but recent economic data has not been friendly.

The flight to quality trade also worries us. One thing that was very interesting last week: Treasury Bonds rallied even though we had a risk of default and downgrade. This reminds me a little bit of 2008 when traders were so desperate to get into Treasuries at any cost that they did so at zero and negative interest rates. That wasn't a good sign then and it might not be now. Other safe haven plays like Gold, Silver, and Swiss Francs are also rallying.

On the positive side, second quarter corporate earnings were strong, the potential for default on our debt is past, and volatility still hasn't spiked that much. There is also a lot of cash on the sidelines that could come back in at any time. Also, short-term we are oversold – the market typically does not move in one direction for 8 days in a row without some sort of retracement.

We have increased cash holdings in our longer term strategies and are fairly fully invested in our shorter term strategies. Longer term most stock sectors, except the NASDAQ, have broken through key support levels, causing us to move to a lot of cash. Shorter term, the market is oversold, so our shorter term strategies are mostly fully invested, in expectation of a short-term upside bounce.

As always, feel free to call us if you have any comments or questions.

Matthew Tuttle, CFP®, MBA
 CEO / CIO



1 Stamford Plaza • 263 Tresser Blvd • 9th Floor
 Stamford, CT 06901

Phone: 800-462-1655

Email: MTuttle@tuttlewealth.com

www.tuttlewealth.com

Tuttle Wealth Management, LLC is an investment adviser registered with the U.S. Securities and Exchange Commission. You should not assume that any discussion or information contained in this letter serves as the receipt of, or as a substitute for, personalized investment advice from Tuttle Wealth Management, LLC. It is published solely for informational purposes and is not to be construed as a solicitation nor does it constitute advice, investment or otherwise. To the extent that a reader has questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. A copy of our written disclosure statement regarding our advisory services and fees is available upon request. Our comments are an expression of opinion. While we believe our statements to be true, they always depend on the reliability of our own credible sources. Past performance is no guarantee of future returns.