

NATE'S NOTES

Winning Ideas for the Individual Investor

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*You got your nice shades on,
and the worst days are gone,
so now the band plays on,
you got one life, blaze on..*

– from *Blaze On* (Anastasio/Marshall)

	Since Last Issue	Year To Date	Since Inception (10/31/97)
Model	+0.7%	+6.1%	+4,235.3%
Aggressive	+6.6%	+20.5%	+15,859.6%
DJIA	-2.6%	+13.1%	+365.1%
NASD	+2.0%	+17.3%	+848.5%

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The Trend Remains Our Friend...

As you can see in the performance numbers above, despite the 50%-plus haircut that Ontrak received shortly after last month's issue went to press, both Portfolios have still managed to post positive returns in the four weeks since the August issue came out... and though the Dow has been a bit weaker than I'd like to see, the overall market is actually still acting pretty well despite all of the potential headwinds that are currently dominating the headlines.

In particular, the combination of interest rates, inflation, and Fed policy seems to be one of the bigger "concerns" being discussed most often by the talking heads on TV and elsewhere these days, and while there is no doubt that we need to keep a close eye on all three, for those of you who are finding yourselves starting to feel anxious about the situation, I want to remind you that regardless of what the

Fed ends up doing, our job is to watch how the market responds to whatever actions the Fed might take, and then adjust our Portfolios accordingly in response to what the market actually does in response to the policy shift rather than trying to position ourselves based on what we think the market *might* end up doing in response to tapering, higher interest rates, etc.

In addition, if you are finding yourself feeling more anxious about the possibility of a bear market setting in anytime in the near future, I want to also remind you that you are absolutely encouraged to raise as much cash as you need to in order to start sleeping more easily at night again even though I am actually putting more money back to work this month.

That being said, to help you know what to anticipate when the Fed does finally start to raise rates again, though the market might dip on a short-term basis in response to the first

Nate's Latest Stock Recommendations (as of 9/10/21)

CORE STOCKS

Company	Symbol	Originally Rec'd. @	Closing Price	Strong Buy ≤	Buy ≤	New Orders^ (Aggressive Portfolio in parentheses)	First Buys
Apple	AAPL	\$0.24	\$148.97	\$135	\$155		✓
Bristol-Myers Squibb	BMJ	\$0.44	\$63.13	\$55	\$75		✓
Illumina	ILMN	\$17.92	\$458.21	\$450	\$525	Buy 25 (50)	✓
MannKind	MNKD	\$42.55	\$4.70	\$5	\$10	Buy 5,000 (25,000)	✓
NVIDIA Corp.	NVDA	\$1.12	\$224.78	\$200*	225*		✓
Tekla Life Sciences Investors	HQL	\$21.17	\$22.11	\$20	\$24		✓
Walt Disney Co.	DIS	\$13.00	\$184.12	\$170	\$190		✓
Alaska Air Group	ALK	\$30.00	\$56.09	\$52	\$60		
Cirrus Logic	CRUS	\$38.39	\$86.59	\$70*	\$95*	Buy 250 (600)	✓
Cleveland-Cliffs	CLF	\$11.15	\$23.34	\$22	\$27		✓
Electronic Arts	EA	\$17.01	\$145.13	\$135	\$152	Buy 75 (200)	✓
First Solar	FSLR	\$60.91	\$99.41	\$80	\$100		✓
Lattice Semiconductor	LSCC	\$58.91	\$62.78	\$60*	\$68*	Buy 350 (1,000)	✓
NXP Semiconductors	NXPI	\$24.26	\$212.12	\$200	\$220		✓
Ontrak	OTRK	\$10.51	\$10.97	\$8*	\$20*	Buy 1,000 (3,500)	✓
PetMed Express	PETS	\$37.99	\$28.36	\$26	\$32		
PowerShares DB Ag.	DBA	\$36.90	\$18.59	--	\$21	Buy 500 (1,000)	✓
PowerShares DB Cmdties.	DBC	\$35.30	\$19.36	--	\$21	Buy 500 (1,000)	✓
Qorvo	QRVO	\$8.29	\$179.30	\$170*	\$190*		
Skyworks Solutions	SWKS	\$29.63	\$177.33	\$170*	\$190*		
SPDR Gold Trust ETF	GLD	\$93.39	\$167.18	--	\$175		✓

*changes since last issue ^we will use closing prices 9/13/21 for all transactions

couple of rate hikes, my experiences suggest that bull markets often continue during the first several rate hikes (often times with a vengeance as folks who were expecting a decline end up racing to get back in as the market powers higher without them), and it usually isn't until the third, fourth, or even fifth hike that the rising rates finally put enough of a damper on things that the bull market can't help but turn into a bear market for awhile as the economic cycle runs its course.

And, speaking of economic cycles, another area that I know is raising a lot of concerns is the blistering pace of price appreciation in the housing market, but, again, though it is easy (and very much human nature) to worry that a bubble may be forming (since it almost certainly is!), our mantras remind us that trends often go on for longer than seems reasonable, and so, again, on this front you are also encouraged to sell enough that you don't need to worry about it at night anymore... but then let the remainder of your position ride unless/until we finally see actual signs that the housing market may be cooling off, something that literally could still be a year or three away given how long it takes for cycles to play out in the real estate space!

Of course, along with the above economic factors to be concerned about, there are also still a lot of uncertainties surrounding the outlook for covid in not just our country (where we do have virtually unlimited access to testing, vaccines, etc. for anyone who chooses to take advantage of living in America), but also in other parts of the world that don't really have any choice but to do their best to minimize the spread of the virus while hoping they don't get sick; inflation in certain parts of the economy is only getting hotter rather than cooling off; geopolitical tensions around the world are once again rising; and the list of reasons the world might "fall apart tomorrow" goes on and on...

In the meantime, as mentioned above (and discussed in more detail below), given that not only are the majority of our stocks acting well these days, but the market as a whole is also clearly in an uptrend at the moment, I am actually being fairly aggressive about putting some of our cash position in the Model Portfolio back to work this month (and going further out on margin in the Aggressive).

Along those lines, though I know it can be hard for newer subscribers to feel comfortable putting money to work with the market (and many stocks) trading at or near all-time highs, I want to remind you that one of the reasons I strongly encourage people to scale-in (or -out) of positions over longer time-frames rather than doing it all at once is to not only help smooth out the volatility that is often seen in the biotech and high tech stocks that dominate the list of recommended stocks in the newsletter, but also to help minimize the chances of putting all of our money to work "right at the top" (a very common fear for investors to have during bull markets, especially if one is just getting started!).

And, to help provide some perspective (as well as do a bit of much-deserved celebrating with those of you who have been with the newsletter for many years now), I am very pleased to report that two of the stocks that have been in the newsletter the longest, Apple and NVIDIA, have both hit some

important milestones in the four weeks since last month's issue went to press (and, in doing so, have helped demonstrate the value of the newsletter's long-term approach to investing).

In particular, NVIDIA, which as first recommended in the newsletter in November 2002 at \$13.97 (now \$1.12, adjusted for splits), became the newsletter's third-ever "200 bagger" behind Apple and Celgene... and Apple, originally recommended in March 1998 at \$26 3/8 (now \$0.24, adjusted for splits), became the newsletter's first-ever "650 bagger" (and given how quickly it has been rising, my apologies for not getting a chance to celebrate it being a 400- and 500-bagger along the way)!

I am a big believer in the old Wall Street "riddle," *Q. When is the best time to sell a great growth stock? A. Never!*, and I believe the fates of these two companies help drive that point home in spades, as I can't tell you how many times I have had new subscribers ask why either of these stocks (Apple, in particular) are still in the newsletter since "their best days are surely behind them, aren't they, Nate?"...

...and while it is true that we will not likely get another 200-bagger out of NVIDIA from today's prices, for example, the sky really does seem to be the limit for both of these companies when it comes to the current and future markets they both will be addressing, and as a number of you have been pointing out and thanking me for in email lately lately (thanks for noticing!), one of the ways the newsletter has helped so many people do so well for themselves over the years is by reminding them on a regular basis to be as patient as possible when it comes to taking profits – thanks for your interest in my ideas over the years, and here's to more profits in the months and years ahead! Kudos and cheers to all!

Rationale for this month's trades

As you will see in the list of "Outstanding Orders" below, because we have plenty of cash in the Model Portfolio (and plenty of buying power in the

Nate Pile

Aggressive), I am not making any sales in either Portfolio this month – the only stock I thought about possibly selling was a little bit of Ontrak, but as you will see in the discussion below, after weighing all the information we have at this point in time, I decided that it made more sense to make a small purchase rather than a small sale this time around.

On the flip side, I am putting almost one-third of our available cash back to work this month in a handful of stocks that I believe provide a fair amount of diversification across both industries and market capitalizations (i.e. company sizes, at least as measured by that particular metric).

In particular, I am adding a few more shares of Cirrus Logic and Lattice Semiconductor in the chip space in response to the fact that not only are both stocks showing good relative strength these days, but we are also still fairly underweighted



New To The Newsletter?

Here are a few guidelines to help you get started:

- Decide how much of your overall portfolio you'd like to allocate to the ideas in *Nate's Notes*... and then plan on investing it in roughly equal amounts each month over a period of several months.
- Make your initial purchases based on the "first buys" that are check-marked in the table on the front page of the newsletter (note that you do not have to buy all of them each month!), as well as in the commentary found in the company write-ups.
- Try to invest slightly more money in "core stocks" vs. "non-core stocks" (60%-40%, respectively, is a reasonable ratio to aim for when first starting out).

You can read more on this topic in the [May 2013 issue](#) of the newsletter online.

in both of them in both Portfolios; that being said, though I am less impressed with the price action we are seeing in Qorvo and Skyworks at the moment, if we did not already own "enough" NVIDIA and NXP in both Portfolios, I would likely be adding more... so if you are still underweighted in either of them, you may want to spread some of your chip money into them as well as part of your own rebalancing efforts.

In addition, I am adding a few more shares of Illumina and MannKind in the biotech space in response to a combination of how their charts look to me and, in the case of MannKind, to help show newer subscribers that even though we already own intentionally oversized positions in the stock, there is nothing wrong with averaging up when that's what the odds tell you is the smartest thing to be doing.

I am also adding a few more shares of our two commodity ETFs, DBA and DBC, in response to their solid relative strength these days, along with the economic trends that I am seeing around the world when it comes to commodity prices at the moment... and if we didn't already have a such a large position in Cleveland-Cliffs, I would likely be buying more there as well (but am choosing to instead wait another month or three while we wait to see how the current consolidation phase the stock finds itself in ends up playing out before I start averaging up again).

Finally, I am adding a few more shares of Electronic Arts in response to both the stock's solid relative strength lately (and potential to start hitting new all-time highs again in the days and weeks ahead), as well as the fact that we are still somewhat underweighted the stock in both Portfolios... and for the reasons touched on very briefly below, I am buying a bit of Ontrak as well.

A very quick Ontrak update

As feared, once it became clear that the old 52-week low wasn't going to hold, Ontrak's stock found itself back in the land of very low double-digits in fairly short order; and, while I would naturally see the stock at \$40 than \$10, for example, the reality of the matter is that yes, I do still believe the

company's technology and platform "have value," and, yes, I do still believe that it is the new management team's game to win going forward... and while I do not have any plans to treat this situation the way I treated MannKind when it went through something similar a few years ago, I do believe that with the company now being valued for less than \$200 million, the risk-reward ratio is very much skewed in the favor of long-term investors, even if it may take awhile for the story to play out (and so I am nibbling a bit this month even though the stock may dip even lower before all is said and done).

Top Picks (for new money this month)

All else being equal (i.e. you already own "pretty much everything" in the newsletter), my top picks for you this month are:

Cleveland-Cliffs (CLF) – Yep – yet again, solid relative strength and an economic backdrop that should help the stock continue to move higher make this a "Top Pick" again.

MannKind (MNKD) – I'm loving how the stock is continuing to act as the story continues to unfold, and I believe the stock still has one of the most attractive risk-reward ratios of any in the newsletter.

"A bag of chips" (CRUS, LSCC, NVDA, and NXPI) – I love the way the charts of all four of these stocks are looking as this month's issue goes to press, and so all four are in the "Top Picks" section this time around...

Outstanding Orders

For the reasons discussed above and below, the Model (Aggressive) Portfolio will not make any sales this month, but will **purchase** 250 (600) Cirrus Logic, 75 (200) Electronic Arts, 25 (50) Illumina, 350 (1,000) Lattice Semi., 5,000 (25,000) MannKind, 1,000 (3,500) Ontrak, 500 (1,000) PowerShares DB Ag., and 500 (1,000) PowerShares DB Cmties. We will use the closing prices on Monday, September 13th, for all transactions.



Nate Pile, Editor

"Eyebrow Levels"

(used to help us gauge the overall health of the market*)

Index	Current	One Eyebrow	Two Eyebrows
DJIA	34,608	29,000	25,500
Nasdaq	15,115	11,250	9,750
S&P 500	4,459	3,550	2,950
BTK	5,882	4,750	3,900
SOX	3,417	2,550	1,950

*As long as all five indices are trading above their "one eyebrow" levels, it is a sign that the current uptrend is still intact; however, if the indices start to dip below those levels, it will cause me to raise an eyebrow and wonder if the trend may be coming to an end... and if both eyebrows go up, it will mean that things are deteriorating in a hurry (if you see eyebrow levels being broken, start looking for a "Special Alert" from me in your email box).

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$30.00	\$56.09	\$74.25	\$34.83	124.3	\$6,972.0

After giving us a bit of a scare shortly after last month's issue went to press, I am pleased to report that Alaska Air's stock quickly found its footing, and excluding that quick little dip that we saw in the middle of last month, it has essentially continued to trade sideways for another month now. To be sure, I am looking forward to the day it finally start to climb again; however, in the interim, this sort of sideways action is the next best thing we can hope for, so it is good to see it taking place (vs. the stock starting to hit new lows again instead). I do not see any reason to aggressively rush into the stock just yet, but if want some exposure to the airline industry, it remains my top pick. **ALK is a strong buy under \$52 and a buy under \$60.**

Alaska Air Group • ALK



Apple • AAPL



Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$0.24	\$148.97	\$157.26	\$103.10	17,113.0	\$2,549,323.6

Though Apple's stock took a pretty big hit today on news that it is going to have to change the way it deals with app developers and their desire for in-app purchases to take place outside of Apple's App Store, I believe the stock can trade all the way back down to the \$120 level before we would have to start thinking about calling the current uptrend over, and, consequently, you are encouraged to only sell as much as you need to (if any) to feel like you've locked in "enough" profits that you don't have to lay in bed at night wondering if you should pull the trigger after all (and then you can get back to enjoying the ride as a new phone cycle gets underway!). **AAPL remains a strong buy under \$135 and a buy under \$155.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$0.44	\$63.13	\$69.75	\$56.75	2,236.0	\$141,158.7

After spending several months building a chart pattern that, as mentioned last month, cannot be considered anything but "bullish," as you can see in the chart to the right, Bristol's stock reversed course with a vengeance shortly after last month's issue went to press, and, in doing so, reminded us that while our job is to always play the odds when positioning our portfolios, there truly never are any "guarantees" when it comes to the stock market! That being said, though the plunge has been fairly steep and swift, the reality of the situation is that the longer-term uptrend is still intact (at least at the moment), and, consequently, I am not terribly worried at this point. **BMJ remains a strong buy under \$55 and a buy under \$75.**

Bristol-Myers Squibb • BMJ



Cirrus Logic • CRUS



Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$38.39	\$86.59	\$103.25	\$57.31	60.4	\$5,230.0

No, it's not there just yet, but, as you can see in the chart to the left, Cirrus' stock is once again bumping up against the upper end of its trading range, and though it remains to be seen what the stock will do next, you are encouraged to look at any sustained move above \$90 as a reason to buy rather than sell (keeping in mind that the odds say such a move should lead to even higher highs... even if the situation just discussed regarding Bristol's stock reminds us that odds are just odds, never guarantees!). We have been underweighted in this stock for awhile now, but I am comfortable raising the buy limits and adding a few more shares this month. **CRUS is considered a strong buy under \$70 and a buy under \$95.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$11.15	\$23.34	\$26.51	\$5.48	498.9	\$11,644.3

Rather than pushing into new multi-year high territory as was hoped might occur as last month's issue was going to press, Cleveland-Cliffs' stock has "only" managed to trade sideways instead since then; however, given the run that the stock has made over the past 12 months, I very much welcome this consolidation, as it is exactly what we both "need" and would expect to see after such a powerful move to the upside. We already own "enough" for now in both Portfolios, but if you are still underweighted in this stock, you are encouraged to make it a "first buy" this month as part of a longer-term game to build a decent-sized position in commodities as time goes by. **CLF is a strong buy under \$22 and a buy under \$27.**

Cleveland-Cliffs • CLF



Electronic Arts • EA

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$17.01	\$145.13	\$150.30	\$110.15	295.0	\$42,813.4

Nope – no new 52-week highs (nor all-time highs, which are just a few points higher, mind you) for EA's stock just yet... but, as you can see in the chart to the left, the stock has been tracing out a very bullish-looking pattern over the past twelve months, and with a reminder that there are never any guarantees when it comes to the stock market, this is another situation in which I believe the odds say that any additional strength that develops should be taken as a sign that the stock should be bought rather than sold. In response to this set of circumstances (as well as the underlying fundamentals of the story), I am adding a few more shares to both Portfolios this month. **EA is considered a strong buy under \$135 and a buy under \$152.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$60.91	\$99.41	\$112.50	\$59.52	105.4	\$10,477.8

I am currently content with our position sizes in both Portfolios (and am therefore not buying anymore this month), but I want to point out for newer subscribers who may still be building positions in the recommended stocks that First Solar should definitely be on your list of "first buys" this month even though I am not buying any for the newsletter (and, though I didn't mentioned it above, please note that Cleveland-Cliffs is another that falls into this category this time around). This is another situation in which the stock has essentially just traded sideways for awhile now, but, as mentioned often in the newsletter, I have learned to welcome these consolidation periods. **FSLR remains a strong buy under \$80 and a buy under \$100.**

First Solar • FSLR**Illumina • ILMN**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$17.92	\$458.21	\$555.77	\$260.42	147.0	\$67,356.9

Yep – another chart that looked so promising as last month's issue was going to press... but then, instead of pushing into new all-time high territory, the stock ended up taking a bit of a tumble in the four weeks since last month's issue went to press. However, as I'm sure you've figured out by now (since it's this issue's unofficial "take home message"), even though there are never any guarantees when it comes to the stock market, our job is to always try to position our Portfolios based on what the odds suggest the market is likely to do, and given the big picture of the current market environment, I am comfortable adding a few more shares to both Portfolios this month. **ILMN is a strong buy under \$450 and a buy under \$525.**

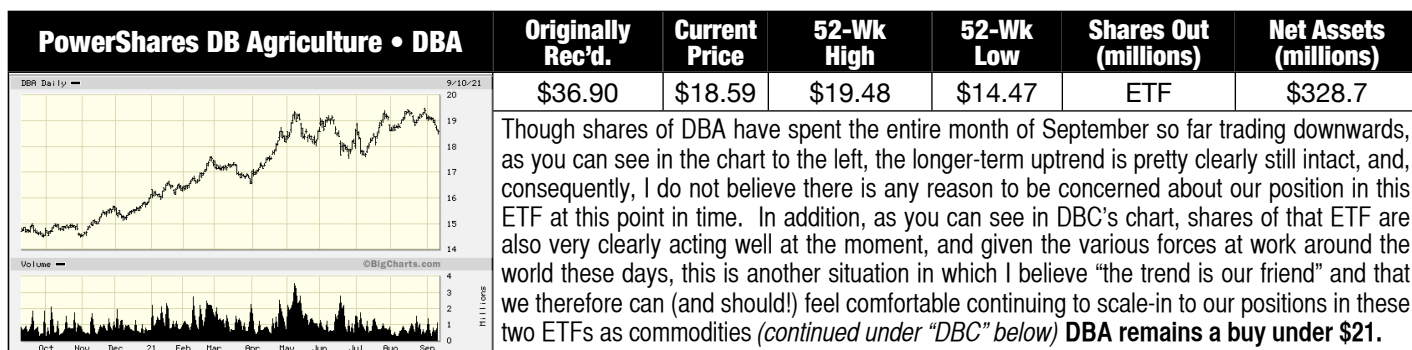
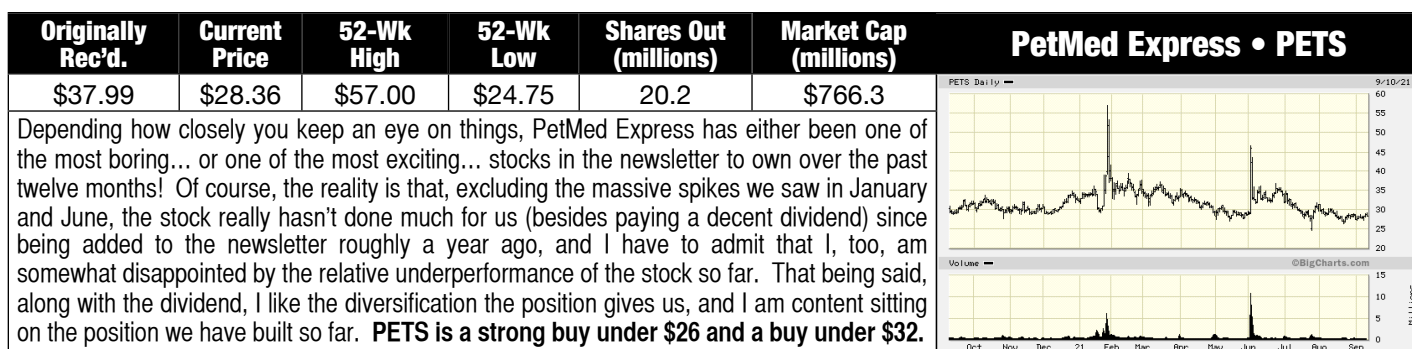
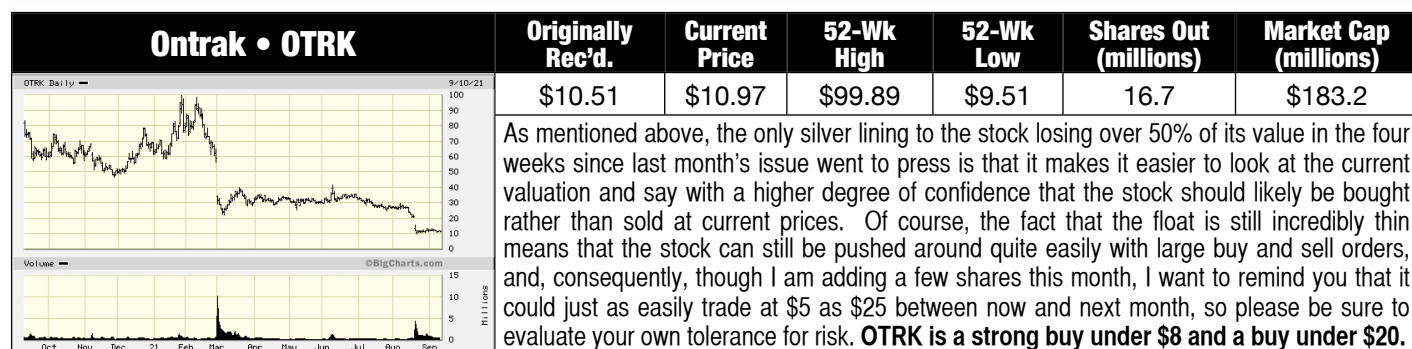
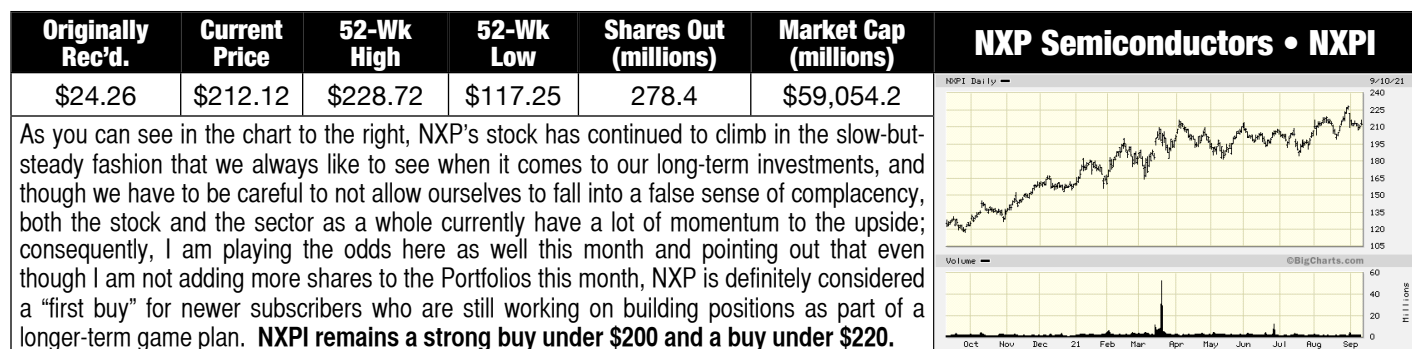
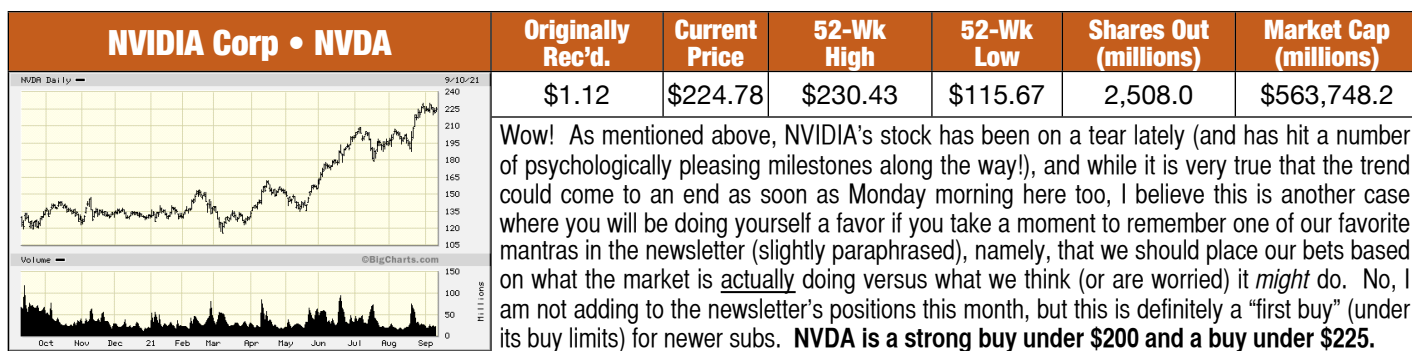
Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$58.91	\$62.78	\$64.26	\$26.14	136.4	\$8,563.2


After pulling back for a brief period shortly after being recommended in last month's issue, I am pleased to report that Lattice's stock has continued to power higher into new all-time high territory in the four weeks since last month's issue went to press! To be sure, the stock is not "cheap" by any means; however, not many stocks are in the current market environment, and though it remains to be seen what will happen next (the trend could come to an end as soon as Monday morning, for example), I believe all signs are pointing towards this being a stock that we would like to own into the foreseeable future (and I am adding a few more shares to both Portfolios this month). **LSCC is now a strong buy under \$60 and a buy under \$68.**

Lattice Semiconductor • LSCC**MannKind Corp. • MNKD**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$42.55	\$4.70	\$6.25	\$1.62	246.9	\$1,160.4

With an acknowledgement that a favorable FDA ruling can never be taken for granted (and a reminder that if, for some bizarre reason, the FDA decides not to grant approval for Tyvaso DPI sometime in the next month or so, the stock will likely take a tumble), I want to reiterate yet again that despite all the negative commentary you may have been hearing on social media over the past few years, I believe the reality of the situation is that Mike Castagna not only has the train back on the tracks, but it is also picking up speed at a healthy clip (so please be sure to take any chatter to the contrary that you may encounter with a sizable grain of salt). **MNKD remains a very, very, VERY strong buy under \$5 and a buy under \$10.**

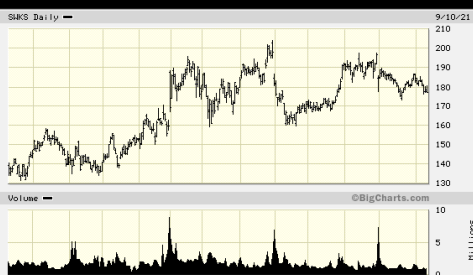


Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Net Assets (millions)	PowerShares DB Commodities • DBC
\$35.30	\$19.36	\$19.61	\$12.48	ETF	\$851.3	


(continuing from "DBA" above) continue to rise. Of course, along with these two ETFs, you are also encouraged to own some Cleveland-Cliffs as a more "pure play" on rising commodity prices (and economic trends, in general), as well as some SPDR Gold Trust ETF, in whatever proportions you feel most comfortable with (and don't forget that, on the same page of the website that you get the main issue from, you can also download spreadsheets that will show what percentage of the Portfolios each position represents in case you want to try and match the ratios between these four positions that we currently have in each of the Portfolios). Both of these ETFs are considered "first buys" this month, and **DBC remains a buy under \$21.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)	Qorvo • QRVO
\$8.29	\$179.30	\$201.68	\$120.73	113.9	\$20,416.9	


Though I don't have anything to complain about when I look at Qorvo's chart (consolidation is a good thing!), I also have to admit that yet another month has gone by without the stock managing to push into new high territory... and given that the lows that were set this past week were slightly lower than the ones that were set a few weeks ago, we do have to start thinking about the possibility that the stock is going to end up re-testing the lower end of its current trading range (\$160 or so). That being said, the trend for the sector is still up, and so I am comfortable just sitting tight with our position for now while we wait to see where the stock wants to head next. **QRVO is now a strong buy under \$170 and a buy under \$190.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Net Assets (millions)	Skyworks Solutions • SWKS
\$29.63	\$177.33	\$204.00	\$131.44	171.6	\$30,429.8	

Unfortunately (but has often been the case lately), Skyworks' stock is also tracing out a pattern similar to Qorvo's, with the only brighter spot being that this week's lows were still higher than those that were set a few weeks ago. And, in the same way that I believe we have to keep our eye out for further signs of weakness in the stock (with \$160 also being a key level to watch for this stock as well), I also believe the odds suggest new highs are more likely than new lows thanks to the overall trend of the sector at the moment (but you never know); however, for now, you are encouraged to focus on the "bag of chips" mentioned in the "Top Picks" section. **SWKS is considered a strong buy under \$170 and a buy under \$190.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Net Assets (millions)	SPDR Gold Trust • GLD
\$93.39	\$167.18	\$185.01	\$157.13	ETF	\$66,990.0	

As you can see in the chart to the left, though shares of this ETF have made a nice rebound of the lows that were being set right around the time that last month's issue was going to press, it is hard to find much to latch onto when it comes to trying to decipher to the underlying trend for gold. Because of this, I am not pounding the table to purchase this ETF as aggressively as I am when it comes to Cleveland-Cliffs, DBA, and DBC (and, of course, the fact that we already own a fair amount of GLD in both Portfolios plays a role too), but if you are still underweighted in this ETF, please note that it is flagged as a "first buy" for newer subscribers who are still building positions this month. **GLD remains a buy under \$175.**

Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)	Tekla Life Sciences Investors • HQL
\$21.17	\$22.11	\$22.70	\$16.60	20.1	\$444.9	

Though they have only done so by a small margin at this point in time, as was hoped would happen in last month's issue, I am very pleased to report that shares of this closed-end fund have, in fact, managed to push into new 52-week high territory in the four weeks since the August issue came out. I consider this to be a bullish sign for not just HQL but for the sector as a whole, and though I am not adding more shares this month, those of you who want to be involved with biotech but are a little leery of the volatility that is often associated with the sector should definitely look at this stock as a potential "first buy" this month. Provided you own some MannKind, **HQL is a strong buy under \$20 and a buy under \$24.**

Walt Disney • DIS



Originally Rec'd.	Current Price	52-Wk High	52-Wk Low	Shares Out (millions)	Market Cap (millions)
\$13.00	\$184.12	\$203.02	\$117.23	1,530.0	\$281,703.6

As you can see in the chart to the left, though Disney's stock quickly gave back all the gains it had registered just as last month's issue was going to press, it has since regained some traction and appears to once again be making another push back towards the upper-end of its trading range. Because we bought a few shares in both Portfolios last month, I am holding off buying more this month, but for those of you who are still working on building positions in a number of the recommended stocks (especially the core stocks), Disney is definitely considered a "first buy" this month, and you are encouraged to look at any additional strength that develops as a reason to buy. **DIS is a strong buy under \$170 and buy under \$190.**

POSITION	PORTFOLIO #1: MODEL				PORTFOLIO #2: AGGRESSIVE			
Company	Shares owned	Total Cost	Today's Value	Total % Change	Shares owned	Total Cost	Today's Value	Total % Change
Alaska Air Group	1,200	\$56,370	\$67,308	+19.4%	3,500	\$171,982	\$196,315	+14.1%
Apple	925	\$51,658	\$137,797	+166.7%	2,500	\$130,471	\$372,425	+185.4%
Bristol-Myers Squibb	2,100	\$145,878	\$132,573	-9.1%	3,900	\$268,513	\$246,207	-8.3%
Cirrus Logic	500	\$25,219	\$43,295	+71.7%	1,400	\$62,883	\$121,226	+92.8%
Cleveland-Cliffs	13,500	\$119,791	\$315,090	+163.0%	41,000	\$372,573	\$956,940	+156.8%
Electronic Arts	825	\$80,650	\$119,732	+48.5%	2,400	\$211,781	\$348,312	+64.5%
First Solar	1,500	\$85,870	\$149,115	+73.7%	4,100	\$241,728	\$407,581	+68.6%
Illumina	300	\$80,875	\$137,463	+70.0%	775	\$199,246	\$355,113	+78.2%
Lattice Semiconductor	750	\$44,185	\$47,085	+6.6%	1,500	\$88,370	\$94,170	+6.6%
MannKind	305,000	\$590,516	\$1,433,500	+142.8%	2,275,000	\$5,107,778	\$10,692,500	+109.3%
NVIDIA Corp.	700	\$35,171	\$157,346	+347.4%	2,200	\$65,895	\$494,516	+650.5%
NXP Semiconductors	650	\$86,136	\$137,878	+60.1%	2,000	\$288,128	\$424,240	+47.2%
Ontrak	10,500	\$147,561	\$115,185	-21.9%	34,000	\$460,284	\$372,980	-19.0%
PetMed Express	2,750	\$90,478	\$77,990	-13.8%	6,500	\$213,003	\$184,340	-13.5%
PowerShares DB Ag.	7,000	\$126,646	\$130,130	+2.8%	20,000	\$360,184	\$371,800	+3.2%
PowerShares DB Cmdties.	7,000	\$114,102	\$135,520	+18.8%	20,000	\$328,352	\$387,200	+17.9%
Qorvo	500	\$47,032	\$89,650	+90.6%	1,800	\$148,551	\$322,740	+117.3%
Skyworks Solutions	425	\$54,273	\$75,365	+38.9%	1,200	\$156,632	\$212,796	+35.9%
SPDR Gold Trust ETF	725	\$95,758	\$121,206	+26.6%	3,600	\$460,639	\$601,848	+30.7%
Tekla Life Sciences Investors	2,634.5	\$34,009	\$58,249	+71.3%	8,753.5	\$109,336	\$193,540	+77.0%
Walt Disney Co.	700	\$74,253	\$128,884	+73.6%	2,250	\$237,984	\$414,270	+74.1%
		Stocks:	\$3,810,361				Stocks:	\$17,771,059
		Cash (Debit):	\$363,747				Cash (Debit):	(\$1,811,464)
		Total Value:	\$4,174,108	+4,074.1%			Total Value:	\$15,959,595
								+15,859.6%