

After a disappointing June, markets regained the momentum that fueled the strong first half in 2013. Surpassing all-time highs, the market continues to show signs of improvement, boosted by an economy more sustainable than the month before. The market increased over 5% in the month of July and many companies have beaten the lowered expectations this earnings season. As we mentioned in our previous editions of the Navigator, investors continue to be focused on the future path of Federal Reserve policy, which is still yet to be determined. This focus does merit attention as economic data has been mixed thus far in the quarter. Encouraging signs outside the U.S. helped boost international markets with an increase in the Spanish labor market and strong industrial data out of Germany.

In our CAN SLIM® portfolio, we reduced equity exposure to 75% from 90% at the end of June; however our market posture remains opportunistic and we will continue to add positions that meet our criteria as opportunities present themselves. If new data paints a more moderate picture, we'll hold our positions and scale to cash as necessary.

**NorthCoast News:** NorthCoast now offers socially and religiously responsible investing with the CAN SLIM® Investment Program. Additionally, clients have the ability to customize their portfolios to their individual needs and preferences through our investment management. Contact us at (203) 532-7003 to learn more.



MARKET DIMENSION	OUTLOOK	COMMENTARY
<b>TECHNICALS</b> <i>positive</i>		Markets rebounded after a lackluster June with the S&P 500 trading above its 50,100, and 200 day moving averages. Volatility decreased, and the market continues to increase to all-time highs.
<b>SENTIMENT</b> <i>neutral</i>		Equity flows regained a positive position of almost 9% after a correcting June despite negative sentiment from consumers. Short interest has gained momentum across equities and the AAII Bull/Bear ratio increased.
<b>MACROECONOMIC</b> <i>positive</i>		Overall economic data continued to show signs of strength in broad terms. However, not all was positive with private housing starts lower than a month before and an increase in jobless claims. Boosting the economic outlook was an increase in home median sale prices, a major uptick in industrial production, and an unemployment rate that remained unchanged.
<b>VALUATION</b> <i>neutral</i>		The market is losing attractive entry points as P/E begins to increase while markets continue to drive higher during a temperate earnings season. A forward P/E of 15.3 puts the S&P 500 in line with its historical average.

*As of 7/31/2013. Data provided by Bloomberg, GoldmanSachs.*

STRATEGY	HIGHLIGHTS
<b>CAN SLIM®</b>	CAN SLIM® remained in line with the S&P 500 as growth stocks experienced a positive earnings season. Top performers for the month were CELG, CTSI, and PPG. A profit take occurred in SLM while PHM was liquidated when the position crossed its designated sell stop. The strategy ended the month 75% invested.
<b>CAN SLIM® INTERNATIONAL</b>	CAN SLIM® International continued its out performance of its benchmark, the MSCI ACWI ex-US. After a weak June and positive economic data out of Europe, international equities gained in July. Top performers for the month included ARMH, NVO, and CM while there was a profit take in PHG.
<b>LEGENDS VALUE</b>	Legends Value was the top performing NorthCoast program in July as earnings season boosted stocks within the strategy. Top performers in QCOR, CF, and TCB took off. We then closed out our position in QCOR after monthly performance topped 40%.
<b>TACTICAL GROWTH</b>	Tactical Growth remained in line with the market as U.S. and international equities rallied across the board in July. The program is concentrated in 90% equity positions and 10% real estate.
<b>TACTICAL INCOME</b>	Tactical Income held steady for the month as a quiet Federal Reserve kept interest rates at bay. The program carries a 5.6% yield and continues to outperform its bond aggregate benchmark.

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A fuller description regarding performance calculations can be found on our website at [ncamadvisors.com](http://ncamadvisors.com).

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