

# ETF Selections & Timing

## Watercourse Way Holdings, LLC

P.O. Box 830396  
Richardson, TX 75083-0396  
972-680-2366

InvestmentST.com

January 28, 2013 (data through previous Friday close)

Volume 4  
Issue 4

## First Quarter

The market continues its winning ways, running higher in the first month of 2013. I hope politicians don't confuse this exuberance as approval for their machinations.

But with the rally comes the pile on, the chase, the fear of missing the upside. Overbought

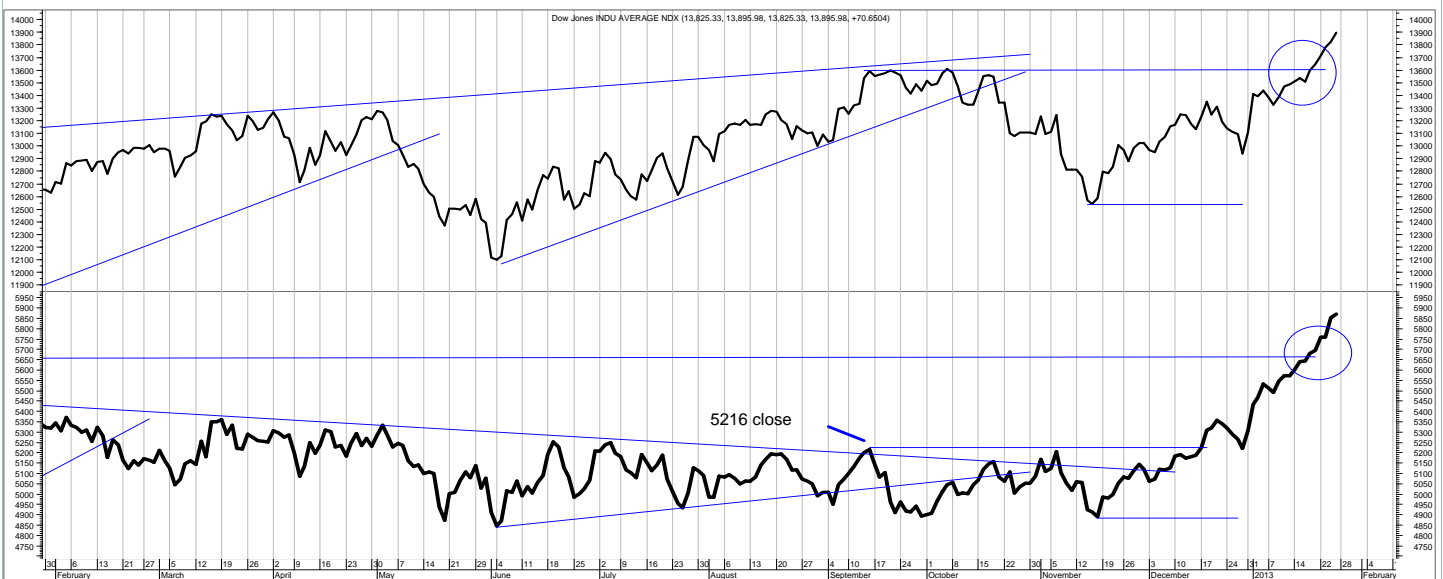
is the stock market. Investor sentiment nears too much bullishness, which is a contrary indicator.

Also as a reminder from a contrarian point of view, this is the first year of the four year presidential cycle. Typically the first year is the weakest precise-

ly because the politicians do what is unpopular. It may hurt their specific reelection chances, but it may be good for the country as a whole.

In this case, we know they've raised taxes on every-

*(Continued on bottom right on page 12  
see REVIEW on top)*



This is the daily chart of the Dow Industrials (top) and Transports (bottom).

## SCOREBOARD (returns year to date and past weeks to date)

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	-0.4%	3.1%	1.7	-0.4	-0.4	-0.2%
ETF Growth Portfolio	6.3%	3.7%	6.7	6.7	6.3	0.5%
Aggrgt Bond (AGG)	-0.6%	0.0%	-1.5	-1.3	-0.6	-0.3%
S&P 500 TtlRtrn	7.3%	16.5%	9.7	7.1	7.3	1.3%
World Growth Index	6.3%	14.3%	11.3	8.1	6.3	0.9%

## CONTENTS

Pages 2-5	Income
Page 4	Bond Model
Pages 6-11	Growth
Page 12	Overflow
Page 13	Disclaimers

# Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 1/25/2013								
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 12/24	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
18-Sep	buy	MBB	108.93	125	13,626									
22-Oct	sell	BSV	81.23	404.3	32,831	CSJ	99.10	1-3 yr crdt	105.43	105.57	400.0	42,228.00	37.2%	
22-Oct	buy	TLH	133.89	250	33,483	LQD	120.00	invst grd	116.05	120.11	262.2	31,495.48	27.8%	
						BSV		shrt trm	81.01	80.89	370.0	29,929.30	26.4%	
17-Dec	sell	MBB	107.87	125	13,517									
17-Dec	sell	TLH	135.23	250.8	33,906									
17-Dec	buy	CSJ	105.43	400.0	42,182									
21-Jan	sell	LQD	120.67	250	30,158									
21-Jan	buy	BSV	81.01	370	29,984									
						Money Market					1.00	9,760	9,760.00	8.6%
												Total Valuation=	113,412.78	100.0%

## WEEKLY REVIEW

1/28

1/21 Given the whipsawing, the inconclusiveness of the trend in the SLM Bond Model on page 4, I'll reduce exposure to the longer dated corporate bond market by selling half of LQD. I'll buy a different short-term corporate bond fund as noted above.

1/14 No changes.

1/7 No changes. Caution is warranted.

12/31 No changes.

12/24 I've sold the longer dated positions and bought a short dated CSJ. I've raised the stop on LQD.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	-0.4	13.4	4.0
Aggregate Bond	2.5%	4.3	0.9	-0.1	7.2	2.6

This shows the returns of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

# ETF Income Database and Ranking to 12/31/12

Fund Name	Symbol	Style	12m	9m	6m	3m	1m	V	NAV	Rank
PS Emrg Mrkt Svrgn Debt	PCY	BW	19.91	15.54	10.82	2.87	0.10	2.13	31.45	*****
Wtree Dryfs Euro	EU	BF	14.57	8.25	16.08	0.64	1.31	3.99	22.27	*****
iShares High Yld	HYG	BH	11.66	8.82	6.23	3.33	1.40	2.34	93.35	****
iShares Long Corp Bond	LQD	BL	10.58	8.05	5.18	0.59	-0.33	1.59	120.99	****
PS DB G10 Currency	DBV	BF	10.06	4.56	6.26	3.07	1.44	2.36	26.15	****
PS Prfd	PGX	BF	13.26	6.11	3.26	-0.17	-0.68	1.46	14.68	****
SPDR High Yield	JNK	BH	13.46	9.55	7.29	3.48	1.46	2.42	40.71	****
Wtree Emrg Mrkt Lcl Debt	ELD	BF	14.39	6.40	8.23	3.83	2.26	2.58	53.46	****
Currency Euro	FXE	BF	1.58	-1.33	4.04	2.56	1.45	2.15	130.96	***
iShares 10-20yr Trsry	TLH	BL	3.73	7.48	-0.11	-0.70	-1.70	1.78	134.86	**
iShares 20+ yr Trsry	TLT	BL	2.63	10.39	-1.77	-1.62	-2.49	2.93	121.18	**
iShares 7-10yr Trsry	IEF	BI	3.66	5.60	0.56	-0.37	-0.94	1.16	107.49	**
iShares Agg Bond	AGG	BI	3.76	3.62	1.61	-0.02	-0.25	0.49	111.08	**
iShares Intrntl Tbond	IGOV	BW	5.29	4.97	6.25	1.16	0.62	1.71	102.93	**
iShares Trsry Infltn	TIP	BI	6.39	5.52	2.38	0.35	-0.82	1.03	121.41	**
PS 1-30 Ldr Trsry	PLW	BI	2.38	6.24	-0.93	-1.38	-1.90	1.77	32.60	**
PS Bld America	BAB	BI	9.84	7.10	3.51	0.96	-0.92	1.33	30.24	**
PS DB Dollar Bearish	UDN	BF	1.34	-0.80	2.33	0.15	0.41	1.54	27.21	**
PS DB Dollar Bullish	UUP	BF	-2.94	-0.46	-2.94	-0.50	-0.50	1.56	21.81	**
PS Fdmntl Hi Yield Corp	PHB	BH	8.88	6.54	4.51	1.40	0.26	1.48	19.25	**
PS Insrld CA Muni	PWZ	BI	7.90	4.78	2.54	0.15	-2.13	1.06	25.26	**
PS Insrld Natl Muni	PZA	BI	9.07	6.44	3.50	0.32	-2.35	1.29	25.75	**
PS Insrld NY Muni	PZT	BI	6.34	4.13	1.86	-0.82	-2.92	1.14	24.57	**
SPDR Intrntl TBond	BWX	BW	5.85	3.57	4.47	-0.09	0.15	1.30	61.01	**
Vngrd Intrmtd Bond	BND	BI	3.89	3.72	1.57	-0.01	-0.18	0.45	84.03	**
Wtree Dryfs Brazil Real	BZF	BF	-2.88	-6.80	1.18	0.16	4.59	3.54	18.91	**
Wtree Dryfs Comdty Cur	CCX	BF	5.76	0.47	4.42	1.23	2.09	2.46	21.48	**
Wtree Dryfs Emrg Crrncy	CEW	BF	7.06	0.72	4.51	1.49	1.35	2.34	21.09	**
Wtree Dryfs Indn Rupee	ICN	BF	4.82	-1.63	4.46	-2.04	0.43	2.92	21.09	**
Wtree Dryfs Jpn Yen	JYF	BF	-8.92	-0.03	-3.13	-6.33	0.29	1.97	30.93	**
Wtree Dryfs S Africa Rand	SZR	BF	-5.51	-11.82	-7.31	-6.68	-0.18	3.00	21.94	**
iShares 3-7yr Trsry	IEI	BI	1.85	2.44	0.59	-0.20	-0.40	0.48	123.22	**
iShares Inter Bond	MBB	BI	1.98	1.54	0.55	-0.54	-0.02	0.26	107.99	**
iShares Inter Gov	GVI	BI	3.18	2.94	1.45	0.04	-0.27	0.46	112.41	**
PS Low Duration	PLK	BS	0.22	-0.39	-0.35	-0.36	-0.28	0.23	25.25	**
Vngrd ShrtTrm Bond	BSV	BS	2.03	1.63	0.94	0.17	-0.05	0.20	80.99	**
Wtree Dryfs Chns Yuan	CYB	BF	2.14	1.49	2.06	1.37	-0.20	0.48	25.53	**
iShares 1-3yr Trsry	SHY	BS	0.28	0.41	0.25	0.01	0.02	0.08	84.42	*
PS VRDO Tax Free Wkly	PVI	BS	0.03	0.08	-0.01	0.04	0.04	0.04	24.99	*

This is the ETF Income Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet (not shown), which is an ETF's risk-adjusted performance; the higher the better. V, CS, and C are proprietary tools. Rank column shows the number of comets.

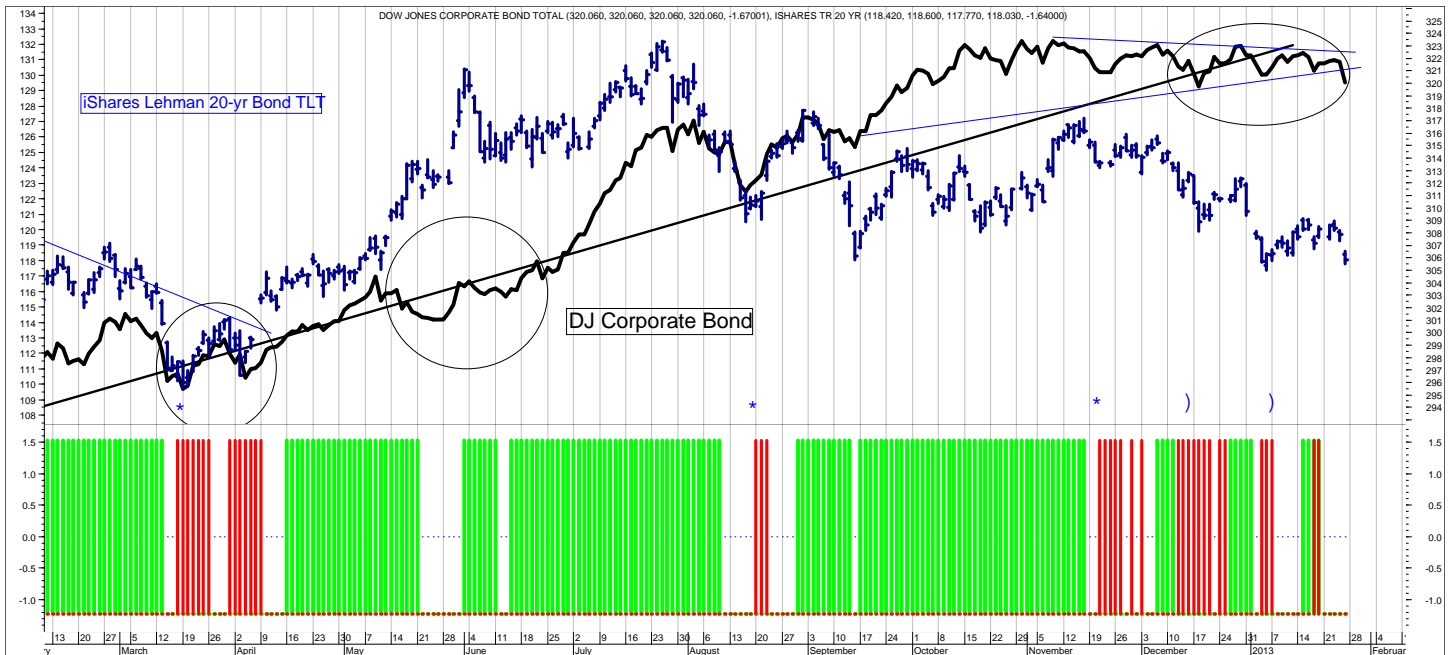
## ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

Column headings: The first column shows the ETF name, the second column shows its symbol. The third column shows the ETF Style. The first letter is always either B (Bond) or E (Equity) or H (Hybrid). The next letter(s) is the style. So, BS-bond short, BI-bond intermediate, BL-bond long, BF-flexible, BW-world, BH-high yield. And for Equity, EA-equity aggressive, EC-equity contrary, EG-equity gold (precious metals), ESC-small cap, EMC-mid cap, ELC-large cap, EW-world, EGI-growth/income, ERE-real estate, EV-value.

Columns 4-8 show percentage returns for the periods shown (12 months, 9, 6, 3, and 1 month). Column 9 is V (volatility); a measure of risk; the lower the V, the less risk. Column 10 is the NAV. Column 11 is the C (comet) ranking. C is the risk-adjusted (V) relative performance (CS). The higher the C indicates the most return for the amount of risk taken.

Generally, our ETF strategy is to own the top ranked ETFs (shown in green) and avoid or short the lower ranked ETFs (shown in red).

# SLM Bond Timing Model



The SLM Bond Timing Model is based on the expected direction of the Corporate Bond market. The green bars are bullish (expect higher prices and lower yields) and the red bars are bearish (expect lower prices and higher yields). White spaces indicate that the previous signal is still in effect.

## WEEKLY REVIEW

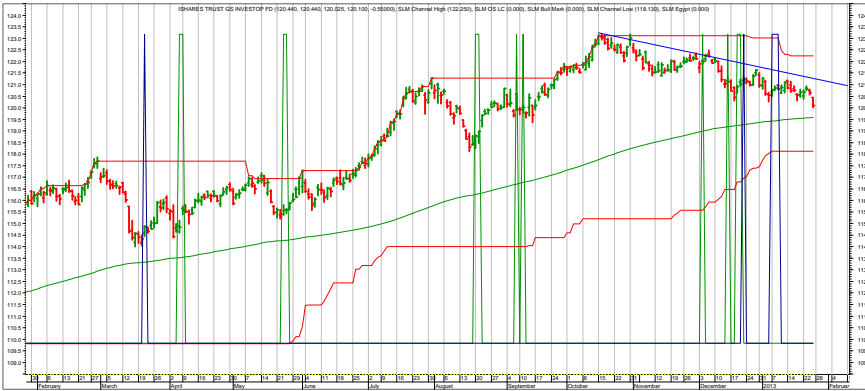
1/28 Again with the whipsawing, but the breakdown through the lower line as shown on the chart above strongly suggests further bond weakness ahead. The economy is coming in stronger than anticipated. The leading indicators from the Conference Board jumped and the previous month's was adjusted from  $-0.4$  to flat. Still, it's hard to anticipate much of a sell off given the Fed's buying proclivity.

1/21 The whipsawing (short-term buys and sells and buys and sells) continues, so as noted on page 2 I'll reduce some risk by selling the longer-dated ETF and buying a shorter-dated one. The economies of the world seem to be getting stronger, so rates may rise through 2013.

1/14 No changes. I've reduced the bond duration (maturities) by buying short-term bond ETFs and selling the longer dated ETFs.

1/4 Another whipsaw with the Model again turning bearish. Whipsaws are short-term trend changes. The culprit is a new mixed reading from the recent Fed minutes. Some interpret a portion of the statement to mean the Fed will cease their bond buying and easing program sooner, rather than later. But they previously said they will maintain easing until unemployment declines below 6.5% or inflation exceeds 2.5%. So, we're getting some mixed signals and a whipsaw bond market.

# Income Charts



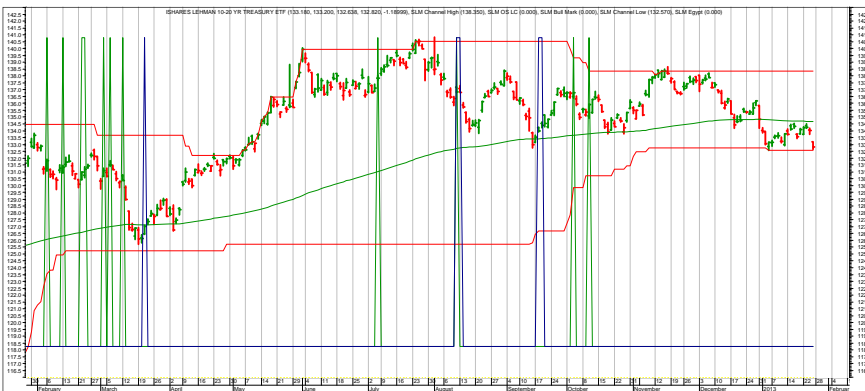
## LQD—Investmt Grd Corporate

1/28 Is the secular bull market in bonds over?

1/21 Weakness.

1/14 No changes.

1/7 Weakness is apparent.



## TLH—10-20 year Treasuries

1/28 No changes.

1/21 No changes.

1/14 No changes.

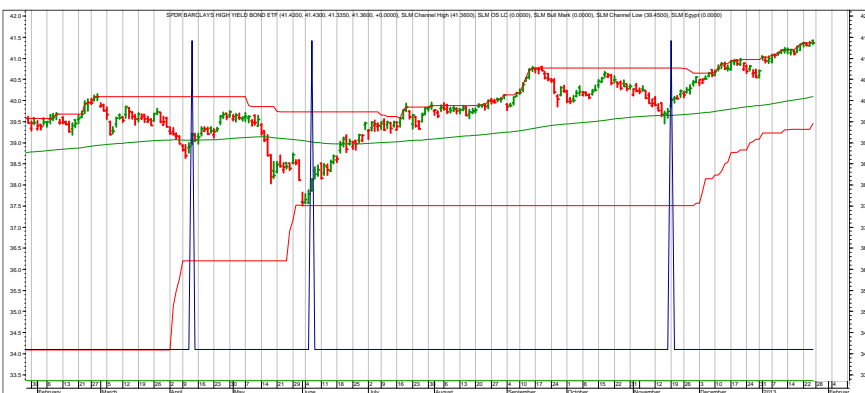
1/7 Weakness in dropping to lows.

12/31 No changes.

12/24 No changes.

12/17 Standing aside. See page 2.

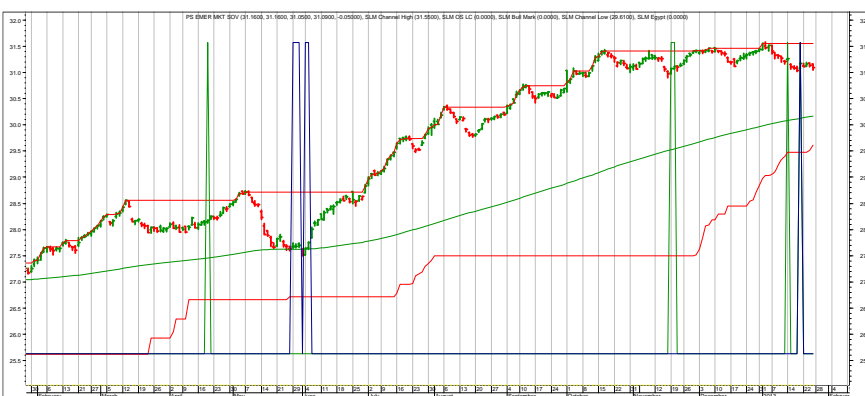
12/10 No change.



## JNK—hi-yield bonds

1/28 Overbought?

1/21 Strong rally with the moderate economic risk and zero rate policy.



## PCY—International Bonds

1/28 No changes.

1/21 Pulling back some.

1/14 Been a heck of a rally. Will look to capture these better.

Each chart shows daily prices, a moving average (smoothed red line on price portion), and spikes. The spikes show potential buy and sell short signals. Generally speaking, if the moving average is trending down, the spike shows a potential sell short. If the moving average is trending up, the spike shows a potential buy. The charts do not show selling or covering signals.

# Growth Portfolio (changed as of 12/10/12)

ACTION FOR			PORTFOLIO DETAILS			Value as of date:				1/25/2013			
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 12/10	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
						<b>LONG ETFs-</b>							
10-Dec	buy	EEM	43.03	526	22,644	EEM		Emrg Mrkt	43.03	44.10	529.380	23,345.66	19.4%
10-Dec	buy	EFA	55.55	409	22,730	EFA		Euro Asia	55.55	59.03	413.490	24,408.31	20.3%
10-Dec	buy	IWM	82.54	274	22,626	IWM		Rus 2000	82.54	89.86	276.410	24,838.20	20.7%
10-Dec	buy	QQQ	65.12	347	22,607	QQQ		Nas 100	65.12	66.95	348.950	23,362.20	19.4%
10-Dec	buy	SPY	142.47	159	22,663	SPY		S&P 500	142.47	150.03	160.140	24,025.80	20.0%
						Two potential ways to sell: Stop loss is roughly 10% below entry price, or timing model may also signal sell.							
						<b>SHORT ETFs-</b>							
						Cash from short							
						Money Market							
						Total Valuation=							
						120,147.18							
						100.0%							

## WEEKLY REVIEW

1/28 No changes.

1/21 The World Growth Index (daily composed of 20% each in EEM, EFA, IWM, QQQ, SPY and always fully invested) is adjusted for dividends paid, and I adjusted the share amounts shown above in the World Growth Portfolio to reflect this. As previously mentioned, the World Growth Portfolio is also made up of 20% bought into the same five ETFs, but is also market timed to be either fully in or fully out.

1/14 No changes.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	6.3	20.1	5.5
World Growth Index	17.2%	-4.2	14.3	6.3	36.4	10.7

The ETF Growth Portfolio changed as of 12/10/12 and is following the new World Growth Model, which uses the same 5 etfs (EEM, EFA, IWM, QQQ, SPY) as the World Growth Index (WGI), but with a timing approach. The WGI is always fully invested. Returns are of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD).

# Top ETF Growth Ranking to 12/31/12 (month end)

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>12m</i>	<i>9m</i>	<i>6m</i>	<i>3m</i>	<i>1m</i>	<i>V</i>	<i>NAV</i>	<i>Rank</i>
Guggnhm Airline	FAA	EA	32.99	19.55	12.50	20.05	9.68	5.50	34.91	*****
Guggnhm China REIT	TAO	EWR	58.82	37.25	28.39	15.85	3.76	7.60	22.85	*****
Guggnhm Spin Off	CSD	EMC	26.35	11.85	11.64	8.10	2.83	3.10	29.64	*****
Guggnhm Timber	CUT	EA	25.11	9.84	23.10	12.52	6.12	4.69	20.44	*****
iShares DJ US Home Constr.	ITB	EA	79.37	44.58	26.43	9.77	3.61	6.77	21.16	*****
iShares Mexico	EWV	EW	32.84	14.23	15.06	8.12	5.12	4.96	70.53	*****
PS Dynmc Bldg Cnstrctn	PKB	EA	46.13	23.99	27.13	11.06	3.75	5.54	17.41	*****
SPDR S&P Homebuilders	XHB	EA	57.33	25.79	25.11	7.45	1.36	5.69	26.60	*****
Wtree Eur SC Div	DFE	EW	31.26	10.94	23.84	12.00	8.90	5.27	41.08	*****
Wtree Intrntl REIT	DRW	ERE	39.30	22.43	20.01	9.47	4.20	4.75	29.97	*****
Wtree Intrntl SC Div	DLS	EW	24.05	8.93	19.02	11.01	6.98	3.91	52.13	*****
Guggnhm China All	YAO	EWR	22.35	10.54	17.13	14.47	7.23	5.76	25.54	****
Guggnhm China Sml	HAO	EWR	25.99	12.73	22.69	23.06	8.02	6.93	23.99	****
Guggnhm Gbl Wtr	CGW	EW	21.10	7.50	10.76	4.63	3.58	3.15	22.24	****
iShares Australia	EWA	EW	24.11	13.19	19.19	9.48	4.30	5.12	25.14	****
iShares China	FXI	EW	19.17	13.32	20.40	17.16	9.12	5.95	40.45	****
iShares EAFE Indx	EFA	EW	18.82	7.22	15.04	8.45	4.37	3.94	56.86	****
iShares Europe 350	IEV	EW	20.54	8.89	17.33	8.27	4.11	4.42	39.30	****
iShares Germany Indx	EWG	EW	32.40	9.32	24.75	9.44	5.02	5.97	24.70	****
iShares Hong Kong Indx	EWH	EW	29.35	14.68	19.23	7.44	2.32	4.75	19.42	****
iShares Singapore	EWS	EW	31.79	10.72	13.94	4.68	3.75	4.85	13.69	****
iShares Sict Div	IDV	ELC	19.44	7.94	14.23	7.13	3.47	4.25	33.67	****
iShares South Korea Indx	EWY	EW	21.93	7.02	16.26	7.76	6.84	5.17	63.35	****
iShares EMU Indx	EZU	EW	24.01	9.66	22.34	11.76	5.38	5.60	33.46	****
PS BLDR Asia 50 ADR	ADRA	EW	18.87	3.99	12.52	10.19	6.90	4.15	26.18	****
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	16.64	6.99	14.65	7.47	4.17	3.90	21.03	****
PS Dynmc Basic Matr	PYZ	EA	28.66	8.11	15.31	6.90	4.04	4.54	40.45	****
PS Dynmc Media	PBS	EA	27.06	10.96	14.24	1.18	2.54	4.21	16.69	****
PS FTSE RAFI Asia Pac xJpn	PAF	EW	26.35	12.81	19.82	9.40	5.03	5.07	57.17	****
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	17.16	6.86	13.20	8.33	4.94	3.88	23.50	****
PS Gbl Listd Prvt Eqty	PSP	EW	30.41	9.92	17.88	9.30	5.71	5.18	10.12	****
PS S&P SmlCap Indstrls	PSCI	EA	19.54	6.64	14.22	7.47	4.40	4.18	32.03	****
PS S&P SmlCap Mtrls	PSCM	EA	24.83	10.91	16.74	6.48	5.54	4.41	31.96	****
PS Water Resources	PHO	EA	24.36	9.01	14.79	6.68	2.63	3.77	20.75	****
Select SPDR Financls	XLF	EA	28.42	5.33	13.14	5.80	4.65	4.86	16.39	****
SPDR Euro Stoxx 50	FEZ	EW	22.63	11.20	23.98	12.29	5.52	5.84	34.66	****
Vngrd Europe Pacific	VEA	EW	18.56	6.68	14.99	8.20	4.23	3.97	35.23	****
Vngrd European Indx	VGK	EW	21.57	9.28	17.60	8.77	4.30	4.52	48.84	****
Vngrd Fincl Srv	VFH	EA	26.23	5.62	11.39	4.99	4.29	4.43	34.10	****
Vngrd TTL Intrntl Stk	VXUS	EW	18.61	6.27	14.85	7.91	4.88	4.05	47.07	****
Wtree DEFA	DWM	EW	18.02	7.06	13.70	7.76	4.28	3.95	46.47	****
Wtree Emrg Mrkt SC Div	DGS	EW	23.51	5.96	16.35	8.24	6.74	4.07	49.44	****
Wtree Intrntl MC Div	DIM	EW	20.77	7.69	15.93	9.29	5.25	4.19	50.29	****
Wtree Japan Hedge Eqty	DXJ	EC	19.64	1.61	11.88	17.39	10.50	4.65	36.88	****
Wtree World Ex US Grth	DNL	EW	17.62	6.92	15.47	8.83	5.42	4.48	52.94	****

This page shows the top ranked ETF Growth Database. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet, which is an ETF's risk-adjusted performance; the higher the better (not shown). This gives us the Rank column (shown).

Generally speaking, we want to own the top-ranked ETFs with 5 and 4 comets. (Comets, not stars, because unlike stars that are fixed, comets come into and out of prominence. We want our thinking, our metaphor aligning with reality.



# Middle ETF Growth Ranking to same month end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>12m</i>	<i>9m</i>	<i>6m</i>	<i>3m</i>	<i>1m</i>	<i>V</i>	<i>NAV</i>	<i>Rank</i>
iShares Brazil Indx	EWZ	EW	0.42	-10.87	9.22	4.45	9.47	6.27	55.94	***
Guggnhm BRIC	EEB	EW	5.60	-6.30	8.54	4.26	7.25	5.41	36.02	***
Guggnhm Frntr	FRN	EW	12.27	-5.37	4.33	1.27	5.85	4.01	19.76	***
Guggnhm Gbl Div	LVL	EW	7.06	1.22	9.54	3.34	4.40	3.90	13.14	***
Guggnhm Inscr Sent	NFO	EMC	14.83	1.16	8.29	1.39	2.01	3.69	34.75	***
Guggnhm Intrntl A Incm	HGI	EW	8.49	-1.43	9.66	3.87	3.81	3.99	16.84	***
Guggnhm MidCap Core	CZA	EMC	14.84	4.13	7.10	2.41	1.95	2.67	33.75	***
Guggnhm Multi Ast In	CVY	EV	13.15	4.65	6.17	-0.45	0.58	2.52	21.92	***
Guggnhm RJ All	RYJ	ELC	14.72	-0.63	7.15	3.30	2.62	3.47	23.47	***
Guggnhm Shipping	SEA	EA	11.77	-13.13	1.33	6.06	4.76	5.59	16.10	***
iShares Canada	EWC	EW	9.11	2.42	11.37	1.01	2.37	3.60	28.40	***
iShares Cohen&Str REIT	ICF	ERE	15.35	4.86	1.45	1.75	3.70	3.92	78.54	***
iShares Core S&P 500	IVV	ELC	16.06	3.07	5.93	-0.23	0.95	2.99	143.14	***
iShares Core S&P Mid Cap	IJH	EMC	17.79	3.74	8.96	3.65	2.16	3.13	101.70	***
iShares DJ Slct Div	DVY	EGI	10.48	5.20	3.78	0.18	0.25	1.98	57.24	***
iShares Emrg Mrkt Stk	EEM	EW	19.10	5.21	14.03	7.99	6.80	4.93	44.35	***
iShares Italy Indx	EWI	EW	15.43	5.81	19.48	12.33	5.98	7.21	13.45	***
iShares Japan	EWJ	EW	9.22	-2.27	4.71	7.45	5.61	3.38	9.75	***
iShares Latin Amr	ILF	EW	5.77	-5.47	6.98	4.14	6.46	4.81	43.84	***
iShares Malaysia Indx	EWM	EW	14.79	5.35	7.07	4.79	4.01	3.02	15.13	***
iShares Pfrd	PFF	EGI	18.20	6.94	5.41	1.59	0.39	1.87	39.62	***
iShares REIT	IYR	ERE	18.21	6.87	3.22	1.69	2.89	3.51	64.67	***
iShares Russel MidVal	IWS	EMC	18.30	6.21	9.78	3.91	2.69	3.02	50.24	***
iShares Russell 1000 Grwth Indx	IWF	ELC	15.22	0.47	4.62	-1.20	0.03	3.00	65.49	***
iShares Russell 1000 Value Indx	IWD	ELC	17.46	5.86	8.11	1.60	2.21	3.04	72.82	***
iShares Russell 2000	IWM	ESC	16.70	3.61	7.32	1.93	3.62	3.74	84.32	***
iShares Russell 2000 Value Indx	IWN	ESC	18.05	5.75	8.91	3.18	4.22	3.61	75.51	***
iShares S&P 100 Indx	OEF	ELC	15.92	2.77	4.81	-1.98	0.30	2.95	64.69	***
iShares Silver	SLV	EG	9.02	-6.41	10.21	-12.28	-9.24	8.34	29.37	***
iShares Spain	EWP	EW	5.43	8.92	25.01	11.97	7.20	7.60	30.26	***
iShares Taiwan Indx	EWT	EW	18.65	3.53	13.60	3.84	2.47	4.67	13.62	***
Market Vectors Oil Services	OIH	EA	1.96	-3.88	9.55	-2.98	0.83	5.96	38.63	***
Market Vectors Russia	RSX	EW	15.04	-0.72	17.20	6.49	10.12	8.03	29.90	***
Market Vectors Semiconductor	SMH	EA	8.56	-7.73	2.50	4.40	3.10	4.67	32.33	***
PS Aerospace & Def	PPA	EA	17.63	6.19	11.88	5.98	2.63	3.04	20.94	***
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	8.37	-2.28	8.76	3.55	5.73	4.63	40.22	***
PS BLDR Europe 100 ADR	ADRU	EW	15.95	8.29	15.24	6.28	3.38	4.23	20.83	***
PS Buyback Achievers	PKW	EGI	13.75	2.68	5.67	0.16	0.63	2.67	29.80	***
PS Cleantech	PZD	EA	8.72	-2.17	9.71	6.84	4.96	4.10	23.12	***
PS DB Base Metals	DBB	EG	3.38	-4.03	5.36	-2.63	0.26	4.93	19.28	***
PS DB Silver	DBS	EG	9.09	-6.92	10.28	-12.40	-9.30	8.55	52.35	***
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	17.83	5.28	15.86	6.10	1.11	4.19	20.14	***
PS DWA Emrg Mrkt T Ldrs	PIE	EW	17.50	4.40	9.60	7.89	4.03	3.86	18.59	***
PS DWA Tech Ldr	PDP	ELC	18.17	3.15	6.49	1.98	0.27	2.75	27.92	***
PS Dyn MagniQuant	PIQ	ELC	16.31	3.83	8.32	2.02	1.34	3.61	27.05	***
PS Dyn Mrkt	PWC	ELC	21.08	6.34	7.90	1.83	2.64	3.85	48.78	***
PS Dynmc Banking	PJB	EA	14.81	-0.08	3.23	-4.46	1.39	4.11	13.31	***
PS Dynmc Biotech	PBE	EA	13.86	0.71	-1.55	-5.46	-2.02	4.41	22.84	***
PS Dynmc Consmr Discr	PEZ	EA	17.81	1.60	7.14	-0.10	-0.27	3.62	29.74	***
PS Dynmc Energy	PXI	EA	13.96	6.66	14.80	2.25	2.76	4.75	42.89	***
PS Dynmc Energy Explor	PXE	EA	22.91	9.80	18.62	1.67	1.85	5.80	26.97	***
PS Dynmc Fncl	PFI	EA	19.50	5.49	9.62	1.72	2.06	3.53	21.15	***
PS Dynmc Healthcare	PTH	EA	15.61	2.27	2.22	-2.76	0.09	3.41	32.82	***
PS Dynmc Leisure & Enter	PEJ	EA	23.63	5.55	6.26	0.70	1.72	3.74	22.95	***
PS Dynmc Lrg Cap Grth	PWB	ELC	18.77	2.83	6.13	0.48	0.05	3.10	18.93	***
PS Dynmc Lrg Cap Value	PWV	ELC	16.16	7.16	7.24	0.77	1.85	2.73	21.85	***
PS Dynmc Networking	PXQ	EA	4.53	-11.16	1.32	1.85	3.93	6.04	25.33	***
PS Dynmc Oil & Gas Srvcs	PXJ	EA	1.02	-2.32	14.35	0.82	3.01	5.80	20.34	***
PS Dynmc Pharma	PJP	EA	24.51	11.57	5.44	1.13	0.37	3.33	34.53	***
PS Dynmc Retail	PMR	EA	17.51	0.73	4.92	1.78	-1.12	3.21	25.22	***
PS Dynmc Software	PSJ	EA	15.74	0.67	2.49	-2.16	2.15	4.04	27.14	***

This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.



# Middle ETF Growth Ranking to same month end

Fund Name	Symbol	Style	12m	9m	6m	3m	1m	V	NAV	Rank
PS Dynmc Technology	PTF	EA	14.35	-4.25	3.37	-0.90	3.09	4.67	26.17	***
PS Emrg Mrkt Infrastrctr	PXR	EW	18.36	2.43	15.59	10.79	7.95	5.81	43.21	***
PS Fincl Pfd	PGF	EGI	19.55	5.88	3.60	-0.49	-0.76	2.11	18.28	***
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	16.79	4.59	15.72	9.08	5.30	4.71	36.45	***
PS FTSE RAFI Emrg Mrkt	PXH	EW	15.34	1.71	14.57	7.36	7.31	5.19	22.82	***
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	17.97	3.89	9.18	3.63	3.56	3.97	69.54	***
PS Gbl Agriculture	PAGG	EA	15.70	2.90	8.20	2.78	2.10	4.26	30.73	***
PS Gbl Clean Enrgy	PBD	EW	-1.99	-10.42	4.74	4.23	7.92	6.60	7.89	***
PS Gbl Nuclr Enrgy	PKN	EW	3.25	-5.60	3.25	-0.21	5.69	4.57	15.80	***
PS Gbl Steel	PSTL	EA	3.53	-7.64	12.80	14.71	12.33	7.10	14.57	***
PS Gbl Water	PIO	EW	17.77	1.44	9.95	4.47	4.35	3.99	18.01	***
PS Gldn Drgn USX China	PGJ	EW	0.07	-9.30	2.44	1.84	4.50	5.55	19.16	***
PS lbtstn Altrntv	PTO	ELC	10.61	1.80	7.34	0.17	-0.09	2.87	11.62	***
PS India	PIN	EW	13.98	-1.42	7.02	-1.71	0.27	7.10	18.36	***
PS Intrntl Dvnd	PID	EW	11.81	5.58	9.44	4.61	3.25	3.01	15.83	***
PS Mega Cap	PMA	ELC	11.51	-0.70	4.01	-2.10	-0.70	3.34	28.84	***
PS Mrngstr Stk	PYH	ELC	15.85	6.22	8.75	1.08	0.51	3.11	23.25	***
PS NASDAQ Intrnt	PNQI	EA	20.10	-0.36	6.88	-1.19	3.45	4.47	41.46	***
PS QQQ	QQQ	ELC	18.12	-2.54	2.38	-4.48	-0.46	3.98	65.13	***
PS RvrFrnt Tac Bal	PAO	EGI	12.62	3.43	6.07	2.86	0.50	2.74	12.58	***
PS RvrFrnt Tac G&I	PCA	EGI	9.66	4.42	5.78	2.49	1.25	2.00	13.24	***
PS S&P SmlCap Cnsmr Dis	PSCD	EA	23.03	3.94	9.99	0.51	1.58	4.09	32.98	***
PS S&P SmlCap Fincl	PSCF	EA	16.99	5.47	5.96	1.97	3.52	3.37	30.89	***
PS S&P SmlCap Hlth Care	PSCH	EA	12.65	0.95	-0.80	-3.34	0.84	3.93	35.35	***
PS S&P SmlCap Info Tech	PSCT	EA	10.52	-2.09	6.61	2.65	4.42	3.83	30.69	***
PS US REIT	PSR	ERE	15.02	4.97	2.46	1.98	3.07	3.63	56.83	***
PS WilderHill Prgsv Enrgy	PUW	EA	14.38	-1.87	8.71	2.53	3.98	4.84	25.58	***
PS Zacks Micro Cap	PZI	ESC	18.44	4.12	8.19	2.26	3.50	4.21	11.83	***
Select SPDR Cnsmr Disc	XLY	EA	23.60	6.63	9.44	2.04	0.46	3.41	47.44	***
Select SPDR Div	SDY	EGI	11.61	5.40	6.41	1.10	0.52	2.06	58.16	***
Select SPDR Enrgy	XLE	EA	5.20	0.98	8.65	-2.25	1.02	4.41	71.42	***
Select SPDR Health	XLV	EA	17.37	7.71	6.01	-0.06	-0.35	2.34	39.88	***
Select SPDR Indl	XLI	EA	14.93	3.17	7.73	4.52	2.83	3.04	37.90	***
Select SPDR Matrils	XLB	EA	14.70	3.54	7.89	2.92	3.20	3.98	37.54	***
SPDR DJ Gbl Titans	DGT	EW	14.78	2.84	11.27	5.50	3.91	3.53	56.18	***
SPDR Mid Cap Trust	MDY	EMC	17.82	3.77	9.13	3.67	2.29	3.12	185.71	***
SPDR S&P 500	SPY	ELC	15.99	2.93	5.94	-0.38	0.89	2.99	142.41	***
SPDR S&P Bank	KBE	EA	22.73	1.74	9.54	2.37	3.29	4.37	23.83	***
SPDR S&P Metals & Mining	XME	EA	-6.60	-8.17	9.78	4.19	6.89	7.09	45.13	***
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	3.86	-4.02	8.14	-2.32	2.61	5.84	54.08	***
SPDR S&P Regional Banking	KRE	EA	16.91	-0.10	3.42	-1.55	2.24	4.44	27.97	***
SPDR S&P Retail	XRT	EA	20.70	3.39	6.89	0.33	-0.49	3.30	62.38	***
SPDR Wlsh REIT	RWR	ERE	16.87	5.60	1.82	2.30	3.71	3.87	72.97	***
US Natural Gas	UNG	EA	-26.86	18.72	-2.02	-11.43	-7.31	10.13	18.90	***
Vngrd Cnsmr Dis	VCR	EA	24.60	6.67	11.07	2.71	0.82	3.46	75.87	***
Vngrd Div Apprctn	VIG	EGI	11.65	3.73	6.52	0.64	0.47	2.38	59.57	***
Vngrd Emrg Mrkt	VWO	EW	19.20	4.78	14.07	7.83	7.06	4.87	44.53	***
Vngrd Extnd 4500	VXF	ELC	18.63	3.61	8.97	3.23	2.97	3.53	60.50	***
Vngrd Grth	VUG	ELC	17.01	1.55	5.64	-1.10	0.07	3.22	71.18	***
Vngrd Health	VHT	EA	19.02	7.81	5.75	-0.49	-0.11	2.53	71.67	***
Vngrd Large Cap	VV	ELC	16.18	2.88	6.19	-0.10	1.05	3.00	65.16	***
Vngrd Materials	VAW	EA	17.31	4.36	10.34	3.49	3.54	4.09	84.21	***
Vngrd MidCap Val	VO	EMC	16.22	2.47	8.29	3.00	2.55	3.17	82.44	***
Vngrd REIT	VNQ	ERE	17.63	6.34	2.60	2.51	3.72	3.82	65.80	***
Vngrd Small Cap	VB	ESC	18.29	4.67	8.35	2.81	3.02	3.59	80.90	***
Vngrd Small Cap Grth	VBK	ESC	17.81	3.45	7.38	1.94	2.65	3.91	89.03	***
Vngrd Small Cap Value	VBR	ESC	18.98	5.90	9.28	3.66	3.34	3.36	72.65	***
Vngrd TTL Stock	VTI	ELC	16.45	3.19	6.43	0.23	1.29	3.06	73.28	***
Wtree DEFA Eqty Incm	DTH	EW	15.75	8.01	13.93	6.43	4.12	4.00	40.43	***
Wtree Div Ex Fincl	DTN	ELC	11.71	5.09	5.91	0.17	0.26	2.34	55.58	***
Wtree Emrg Mrkt Einclm	DEM	EW	15.56	2.49	12.38	6.95	7.77	3.68	57.19	***
Wtree Gbl Eqty Incm	DEW	EW	14.66	7.52	10.18	4.18	3.36	3.18	43.27	***
Wtree India	EPI	EW	25.29	1.32	13.06	2.40	3.05	8.39	19.37	***
Wtree Intrntl Div Ex Fincl	DOO	EW	11.22	4.60	11.31	5.35	4.00	3.55	41.90	***
Wtree Intrntl LC Div	DOL	EW	16.64	7.71	13.71	6.80	3.93	3.94	44.93	***
Wtree Intrntl Utilities	DBU	EW	7.86	0.90	7.17	5.29	6.32	3.29	18.40	***
Wtree Japan SC Div	DFJ	EW	7.36	-1.89	3.31	4.14	3.31	2.89	43.70	***
Wtree LrgCap Div	DLN	ELC	12.75	3.75	3.97	-0.89	0.49	2.43	53.64	***
Wtree MidCap Div	DON	EMC	14.41	5.04	7.44	2.32	1.23	2.62	57.41	***
Wtree MidCap Earn	EZM	EMC	17.73	3.70	12.79	5.69	2.47	3.65	62.38	***
Wtree Middle East Div	GULF	EW	7.36	0.29	7.53	2.04	1.01	2.22	14.99	***
Wtree S&P 500	EPS	ELC	14.59	1.67	6.05	-0.50	0.87	3.20	49.36	***
Wtree Sml Cap Div	DES	ESC	18.31	7.30	8.08	2.28	3.17	3.21	50.95	***
Wtree Ttl Earn	EXT	ELC	14.24	1.18	5.81	-0.53	0.37	3.09	50.39	***

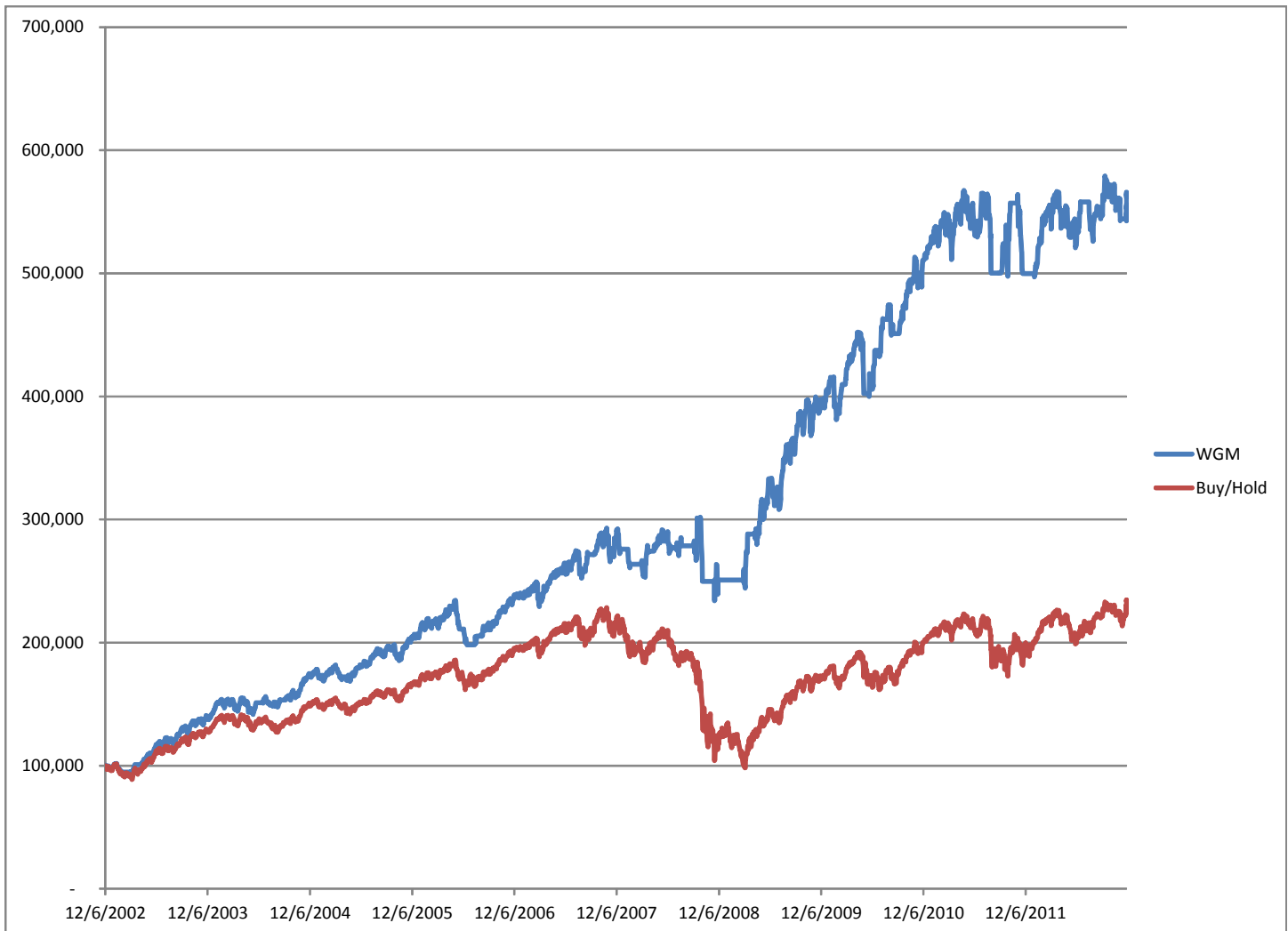
This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

# Bottom ETF Growth Ranking to same month end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>12m</i>	<i>9m</i>	<i>6m</i>	<i>3m</i>	<i>1m</i>	<i>V</i>	<i>NAV</i>	<i>Rank</i>
Guggnhm Candn Enrg Incm	ENY	EWR	-5.15	-7.69	6.63	-7.08	-0.08	5.00	15.52	**
Guggnhm Dfnsv Eqty	DEF	EV	7.22	4.59	2.61	-0.93	-0.79	1.90	28.57	**
Guggnhm Solar	TAN	EA	-30.74	-31.24	-6.72	2.07	19.54	11.42	15.64	**
iShares Gold	IAU	EG	6.89	0.06	4.63	-5.73	-2.40	3.96	16.28	**
Market Vectors Gold Minors	GDX	EG	-8.87	-5.39	4.68	-12.71	-1.43	6.78	46.39	**
Market Vectors Junior Gold Miners	GDXJ	EG	-16.76	-16.25	7.03	-16.83	-4.64	8.78	19.79	**
PS DB Commodity	DBC	EA	3.50	-3.54	7.88	-3.14	-1.14	3.67	27.78	**
PS DB Energy	DBE	EA	1.16	-7.02	10.70	-1.72	-0.50	4.33	27.94	**
PS DB Gold	DGL	EG	5.33	-0.74	3.93	-6.11	-2.53	3.96	57.35	**
PS DB Oil	DBO	EA	-9.21	-13.27	5.62	-0.65	2.33	5.39	25.94	**
PS DB Precious Metals	DBP	EG	5.96	-2.13	4.98	-7.41	-3.97	4.54	57.09	**
PS Dividend Achievers	PFM	EGI	10.61	4.18	4.12	-1.43	-0.22	2.12	16.16	**
PS Dyn OTC	PWO	ESC	7.63	-5.22	0.62	-0.51	3.16	3.79	48.10	**
PS Dynmc Consmr Staples	PSL	EA	9.03	3.67	2.88	-0.40	-2.11	2.30	33.22	**
PS Dynmc Semicndctr	PSI	EA	4.54	-10.42	-0.43	4.38	3.19	4.77	14.40	**
PS Dynmc Utilities	PUI	EA	9.40	5.79	3.31	-1.75	1.81	1.99	17.31	**
PS Gbl Coal	PKOL	EA	-17.41	-18.41	3.12	5.87	6.16	7.04	19.76	**
PS Gbl Gold Precious Mtls	PSAU	EG	-6.47	-6.35	6.71	-8.60	-0.91	6.83	37.08	**
PS Gbl Wind Energy	PWND	EW	-16.75	-18.42	4.84	2.74	5.83	5.94	5.63	**
PS Lux Nanotech	PXN	EA	-0.03	-7.67	-8.14	-4.40	3.40	3.72	5.96	**
PS MENA Frntr Countries	PMNA	EW	6.64	-2.13	2.28	0.37	3.34	2.71	10.83	**
PS S&P 500 LowVolatility Portfolio	SPLV	ELC	9.37	5.00	1.30	-1.52	-1.07	1.88	27.68	**
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	10.51	1.88	-1.19	-3.71	-1.21	2.76	34.44	**
PS S&P SmlCap Energy	PSCE	EA	-1.20	-9.02	6.87	-1.34	2.10	5.61	33.64	**
PS WilderHill Cln Enrgy	PBW	EA	-16.58	-24.23	-7.12	-1.92	6.53	6.93	4.08	**
Select SPDR Cnsmr Stpl	XLP	EA	10.74	5.01	2.23	-1.49	-2.07	2.23	34.90	**
Select SPDR Technlgy	XLK	EA	15.29	-3.02	1.42	-5.88	-0.39	3.71	28.85	**
SPDR DJ Industrials	DIA	ELC	9.94	1.05	3.03	-1.89	0.68	2.61	130.58	**
SPDR Gold	GLD	EG	6.60	-0.06	4.40	-5.74	-2.43	3.93	162.02	**
US Oil Fund	USO	EA	-12.44	-14.94	4.84	-2.20	2.49	6.07	33.37	**
Vngrd Consmr Stpls	VDC	EA	11.03	4.84	2.55	-1.23	-2.03	2.12	87.91	**
Vngrd Tech	VGT	EA	13.96	-5.72	1.75	-4.72	0.31	4.20	69.11	**
Wtree Eqty Income	DHS	EGI	11.08	5.45	1.89	-1.98	-0.39	2.25	45.80	**
Wtree LrgCap Grth	ROI	ELC	10.43	-2.46	4.34	-2.58	-0.10	3.47	39.65	**
Alerian MLP	AML	EGI	1.92	0.35	2.95	-2.23	-2.39	2.19	15.95	*
iPath S&P 500 VIX Shrt Trm	VXX	EC	-77.62	-52.61	-47.72	-11.64	7.39	16.05	31.81	*
PS DB Agriculture	DBA	EA	-3.22	-0.53	-0.96	-4.96	-3.12	2.96	27.95	*
PS Dynmc Food & Bev	PBJ	EA	5.49	1.98	0.44	-0.38	-1.36	1.79	19.91	*
PS Hi Yld Eqty Div	PEY	EGI	5.10	2.22	1.73	-2.34	-0.53	1.90	9.41	*
PS S&P 500 BuyWrite	PBP	ELC	4.53	-0.64	-0.03	-2.99	-0.46	2.25	19.65	*
PS S&P SmlCap Utilities	PSCU	EA	0.21	1.41	-0.09	-5.89	0.82	2.49	29.56	*
Pro Shares Short Russell 2000	RWM	ESC	-18.06	-6.71	-8.43	-2.64	-3.68	3.93	24.32	*
Pro Shares Short S&P 500	SH	EC	-15.79	-4.84	-6.66	-0.15	-1.08	3.06	34.03	*
Select SPDR Utilities	XLU	EA	1.04	2.77	-3.52	-2.95	-0.01	2.24	34.92	*
Vngrd Utilities	VPU	EA	1.83	3.63	-2.12	-2.43	0.13	2.18	75.30	*

This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

## World Growth Model vs. World Growth Index (buy hold)



The chart above compares the past ten years of the backtested World Growth Model with a buy/hold of the same five underlying indexes (EEM, EFA, IWM, QQQ, SPY), which is the fully invested always World Growth Index. Dividends are reinvested. No commissions included to buy/sell. Past performance does not guarantee future performance.

The five ETF indexes are static; that is, they were the only ETFs used over the period. So, the selecting model was static. No attempt was made to buy the top-ranked by C (risk-adjusted relative performance) ETFs. Presumably, if the top ETFs had been picked, the performance would be greater.

What was used for this Model was a newish timing model that combines a number of features, including two timing models with two stop orientations. The clearest use of stops is shown in the 2008 bear market. While the bear erased all of the gains of the buy/hold index from 12/6/2002, the WG Model was stopped out back to cash, thus preventing further losses.

I've begun to implement this Model in this Newsletter based on these results as of 12/10/12.

As mentioned, the next step is to incorporate the selecting model (buy the top ETFs by C) with the timing model.

# Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**

one. And by now, everyone has or will by month's end received their first payroll check proving as much. But revenue raises is only half the equation. The other half is spending. What will happen there?

The government needs to reign in spending. Deficits cannot grow to the moon without negative repercussions. So, this is the next big question, yet to be addressed.

Typically in the 4-year cycle,

after a typical so-so January, the period from February through March is the weakest. We'll see what happens this time, but this falls within the period when Congress will be debating the debt ceiling and spending cuts. As the discussion comes to the forefront, the market may pullback.

In the meantime, the leading economic indicators per the Conference Board have come in stronger than expected at plus 0.5 versus 0.4 and the previous month's number was raised from

a negative 0.2 to flat.

And as mentioned over and over, housing has bottomed and is recovering.

So, the stock market is rallying, but is overbought, and is due for a pullback. Whether that pullback is mild, say 3-5%, or sharper down 10-12% depends on the politicians. The when should correspond to the first quarter.

Please see the individual portfolio pages for any changes.

Just to clarify a couple of terms that I use regularly.

Short-term is days to weeks.

Intermediate-term is weeks to months.

Long-term is months to years.

Cyclical is 1-5 years.

Secular is 5 years to decades.

Bull market is a series of higher highs and higher lows.

Bear market is a series of lower lows and lower highs.

Neutral market is sideways without a discernible pattern.

Oddly, bull and bear markets may occur simultaneously, but only over different time periods. For example, we may be in a secular bear market, but there are cyclical bull and bear markets within that.

Closing stops are "mental". I look at the position at quarter to the close. If it is trading below the stop (or above if short), then I act with the assumption the security will trigger that closing stop on that day. I sell (or cover) at the close that day.

New portfolio stops are being implemented. These are internal and will be emailed if triggered.

1/28 The ETF selections tables on pages 3 (income) and 7-10 (equity) have been updated through 12/31/12.

The next step is to integrate the top selections into the newish timing model that is now used in the World Growth Model (static five ETFs).

1/21 35 new ETFs were added to the database. More additions are planned.

The updated selections have been delayed pending those additions and a slight reworking of the selecting model.

1/14 No changes. Updates to the selections should be completed by next publishing date.

1/7 As mentioned on page 7, I have been tweaking the selecting model of ETFs. Once completed, which should be this week, the C rankings of ETFs will be updated on pages 3 and 7 through 10.

# Descriptions & Disclosures

## PORTFOLIO DESCRIPTIONS (pages 2 and 6)

Our guiding goal is to provide the most return with the least risk consistently over time through bull and bear markets.

Income Portfolio, page 2: Uses a proprietary selection methodology on all of the monitored bond-oriented ETFs to pick the top ETFs. I then use a proprietary timing model to decide whether to buy, sell, hold, or avoid. From time to time, timing considerations may take precedence over selections; in other words, we may own lower ranked funds because of anticipated timing changes.

Growth Portfolio, page 6: Based on the World Growth Index, which is made up of a static fully invested 20% in each of five ETFs (EEM, EFA, IWM, QQQ, SPY). The Portfolio will buy and sell the WGI based on proprietary timing signals.

Both portfolios were started on 1/1/10 with \$100,000. However, the Growth Portfolio strategy was changed on 12/10/12 to the World Growth Model.

Portfolio changes will usually be made at the close on Monday, unless otherwise noted in any emailed hotline update or triggered stop orders. Issues are normally posted on Mondays by 1:35pm cst (Tuesday if Monday is a holiday).

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares.

Commissions of \$10/trade are applied. Interest is zero for the money market (cash) position.

**SUBSCRIPTIONS:** To receive *ETF Selections & Timing*, you may subscribe in one of three ways. You may subscribe on the web site InvestmentST.com using PayPal or call 1-800-800-6563 for Amex, Visa, MasterCard, or Discover orders or send a check to the address on the front page. Subscriptions may be tax deductible.

The recurring monthly subscription is \$24.00. An annual subscription is \$240.00. Subscribers receive this weekly eNewsletter. There is no mailed issue. Subscribers retrieve the current weekly issue at the web site InvestmentST.com by logging in with a user name and password.

Unless otherwise noted, the weekly eNewsletter is posted by 1:35 PM central time each Monday, except for holidays and then on Tuesday. It may contain actionable, specific buy or sell advice to take that day at the Monday close in each portfolio. We may also use stop orders. For stops, check the ETF at quarter to the close. If it is below (or above) a stop level, assume it will close there and act on that. Portfolio data will be updated through the previous Friday's close. Fund symbols, rather than names, are the official identification used for activity.

**GUARANTEE:** Subscriptions may be cancelled at any time. Annual subscriptions are refundable for the weekly term remaining with a four-week minimum charge, using a 52-week count. Monthly subscriptions just expire.

**PUBLISHER:** Watercourse Way Holdings, LLC publishes this newsletter.

**REPRINTS:** This eNewsletter is intended for subscribers only, reprints are not permitted.

**DISCLAIMER:** The information contained herein is assembled from sources who are believed reliable, but the accuracy of data or advice cannot be guaranteed. Past performance does not guarantee future performance. Portfolio values include a commission of \$10/trade, dividend reinvestment, and short-term redemption charges. The World Growth Index and DJ Aggregate Bond Index are equity and bond indexes and may or may not be useful in comparing returns. Security values fluctuate. Information is provided without consideration for a subscriber's personal situation. Watercourse Way Holdings, LLC its members and associates may or may not invest identically to or at the same time as portfolios or advice shown herein.

**COPYRIGHT:** Copyright, 2009-13, Watercourse Way Holdings, LLC. All rights reserved.