

ETF Selections & Timing

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Pins and Pricks

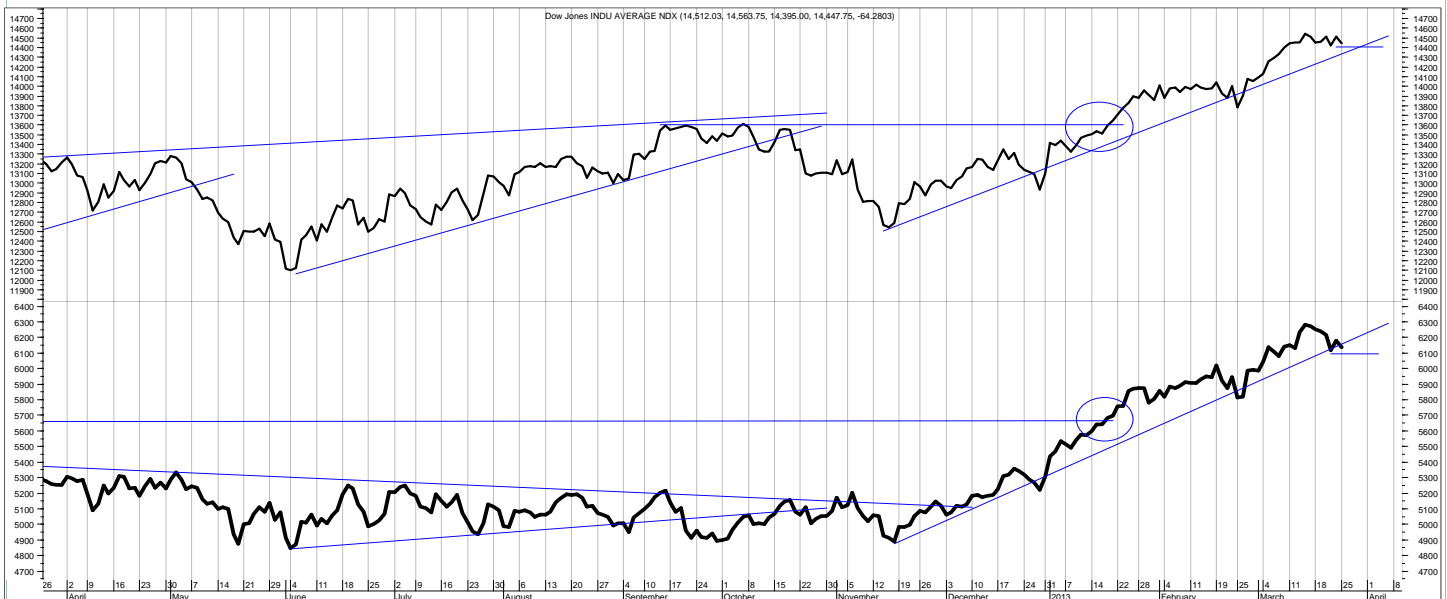
Often times, we believe that what happens “over there” across one ocean or the other has no bearing on what happens here in the US of A. Perhaps prior to the turn of the millennium in the year 2000 it was true enough. Each country was less globalized, less a

part of the whole. Since then, however, we have witnessed situation after situation where the domino effect of bad news is a world wide phenomenon.

Last week we heard about Cyprus announcing the possibility of a “tax” haircut on bank deposits as a way to raise capital

to offset their deficits. Is that the tip of the iceberg as other countries watch the reaction and perhaps plan the same to address solvency questions? It is one way to spread the pain. Would it happen elsewhere?

(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	-0.5%	2.9%	0.7	-0.3	-0.1	0.1%
ETF Growth Portfolio	7.9%	4.6%	6.3	6.6	1.5	-0.7%
Aggrgt Bond (AGG)	-0.8%	0.6%	-1.4	-0.6	0.1	0.2%
S&P 500 TtlRtrn	11.6%	13.9%	7.9	9.5	2.9	-0.1%
World Growth Index	8.9%	10.7%	6.5	7.2	2.1	-0.5%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 3/22/2013								
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	
21-Jan	sell	LQD	120.67	250	30,158									
	reducing risk by selling 1/2 of LQD													
21-Jan	buy	BSV	81.01	370	29,984	BSV	76.15	shrt trm	81.01	80.95	372.1	30,122.47	26.6%	
29-Jan	sell	LQD	119.73	262	31,383	JNK	38.34	hi-yield	40.79	41.04	150	6,156.00	5.4%	
	stopped out													
19-Feb	buy	JNK	40.79	150	6,129	PCY	28.57	intrntl bond	30.39	29.74	200	5,948.00	5.2%	
19-Feb	buy	PCY	30.39	200	6,088	AGG	108.68	bond mrkt	110.49	110.41	625	69,006.25	60.9%	
4-Mar	sell	CSJ	105.58	400	42,222									
4-Mar	buy	AGG	110.58	425	47,007									
18-Mar	buy	AGG	110.31	200	22,072									
						Money Market					1.00	2,069	2,069.00	1.8%
												Total Valuation=	113,301.72	100.0%

WEEKLY REVIEW

3/25 No changes.

3/18 Buy as noted above. Believe the risk versus reward is very positive on AGG.

3/11 The drop in unemployment rate knocked bonds lower last week. Still holding for now though.

3/4 AGG has broken through its downtrend, which means at least temporarily, it may go sideways to up. Buy it as noted above.

2/25 No changes.

2/19 Buy PCY and JNK as noted above. This will be about 5% each of the total portfolio.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	-0.5	13.3	4.0
Aggregate Bond	2.5%	4.3	0.9	-0.8	7.0	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 2/28/13

<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 1-3yr Trsry	SHY	BS	0.41	0.22	0.09	0.10	0.06	0.08	84.46	*****
iShares Agg Bond	AGG	BI	2.99	1.56	0.21	-0.28	0.59	0.54	110.83	****
iShares Inter Bond	MBB	BI	1.72	0.82	-0.19	0.10	0.30	0.28	108.03	****
iShares Inter Gov	GVI	BI	2.64	1.66	0.42	-0.13	0.40	0.45	112.40	****
Vngrd Intrmdt Bond	BND	BI	3.12	1.48	0.02	-0.33	0.54	0.53	83.73	****
Vngrd ShrtTrm Bond	BSV	BS	1.68	1.20	0.42	0.16	0.23	0.20	81.06	****
Wtree Dryfs Chns Yuan	CYB	BF	1.45	2.71	2.34	0.04	-0.16	0.43	25.59	****
iShares 3-7yr Trsry	IEI	BI	2.06	0.61	-0.01	-0.19	0.61	0.53	123.42	***
iShares 7-10yr Trsry	IEF	BI	3.74	-0.03	-0.89	-1.11	1.13	1.20	107.16	**
iShares High Yld	HYG	BH	9.16	12.60	5.19	2.69	0.93	1.70	94.04	**
iShares Intrntl Tbond	IGOV	BW	1.11	4.49	0.18	-2.00	-2.75	1.54	100.25	**
iShares Long Corp Bond	LQD	BL	6.27	5.85	1.46	-0.57	1.08	1.37	120.33	**
iShares Trsry Infltn	TIP	BI	4.27	1.36	0.53	-1.15	0.19	0.90	121.01	**
PS Bld America	BAB	BI	9.01	5.41	2.80	1.25	2.06	1.33	30.54	**
PS DB Dollar Bearish	UDN	BF	-3.61	1.46	-1.31	-2.55	-3.68	1.44	26.41	**
PS DB Dollar Bullish	UUP	BF	1.87	-2.70	0.31	2.05	3.47	1.48	22.37	**
PS DB G10 Currency	DBV	BF	4.23	13.22	6.82	3.34	0.08	1.92	26.64	**
PS Emrg Mrkt Svrgn Debt	PCY	BW	13.15	13.15	2.53	-2.60	-0.08	1.94	30.26	**
PS Fdmntl Hi Yield Corp	PHB	BH	7.32	8.60	3.35	1.42	0.34	1.21	19.24	**
PS Insrđ CA Muni	PWZ	BI	6.12	4.18	2.24	-0.74	0.45	1.09	25.39	**
PS Insrđ Natl Muni	PZA	BI	6.94	4.56	2.15	-1.41	0.27	1.27	25.75	**
PS Insrđ NY Muni	PZT	BI	5.24	3.66	1.40	-1.41	0.27	1.19	24.72	**
PS Prfd	PGX	BF	9.64	9.42	3.50	2.01	0.87	1.18	14.84	**
SPDR High Yield	JNK	BH	9.29	12.90	5.27	2.46	0.72	1.78	40.90	**
SPDR Intrntl TBond	BWX	BW	-0.67	2.00	-1.54	-3.20	-2.44	1.20	58.87	**
Wtree Dryfs Comdty Cur	CCX	BF	-2.83	6.88	2.06	1.09	-1.71	2.01	21.27	**
Wtree Dryfs Emrg Crncy	CEW	BF	-0.61	7.88	3.59	1.30	-0.43	1.85	21.08	**
Wtree Dryfs Euro	EU	BF	8.81	21.62	4.45	1.36	-2.51	3.65	22.23	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	4.99	13.12	5.78	1.98	-0.09	2.01	52.97	**
Currency Euro	FXE	BF	-2.36	5.25	3.61	0.31	-3.88	2.18	129.49	**
iShares 10-20yr Trsry	TLH	BL	3.79	-1.92	-2.52	-2.52	1.18	1.78	133.50	**
iShares 20+ yr Trsry	TLT	BL	3.62	-5.34	-6.01	-4.42	1.24	2.84	118.51	**
PS 1-30 Ldr Trsry	PLW	BI	3.20	-2.30	-2.81	-2.46	0.84	1.70	32.21	**
Wtree Dryfs Brazil Real	BZF	BF	-7.53	6.12	5.44	9.35	0.92	2.90	19.77	**
Wtree Dryfs Indn Rupee	ICN	BF	-3.26	8.27	4.61	1.67	-1.79	2.70	21.35	**

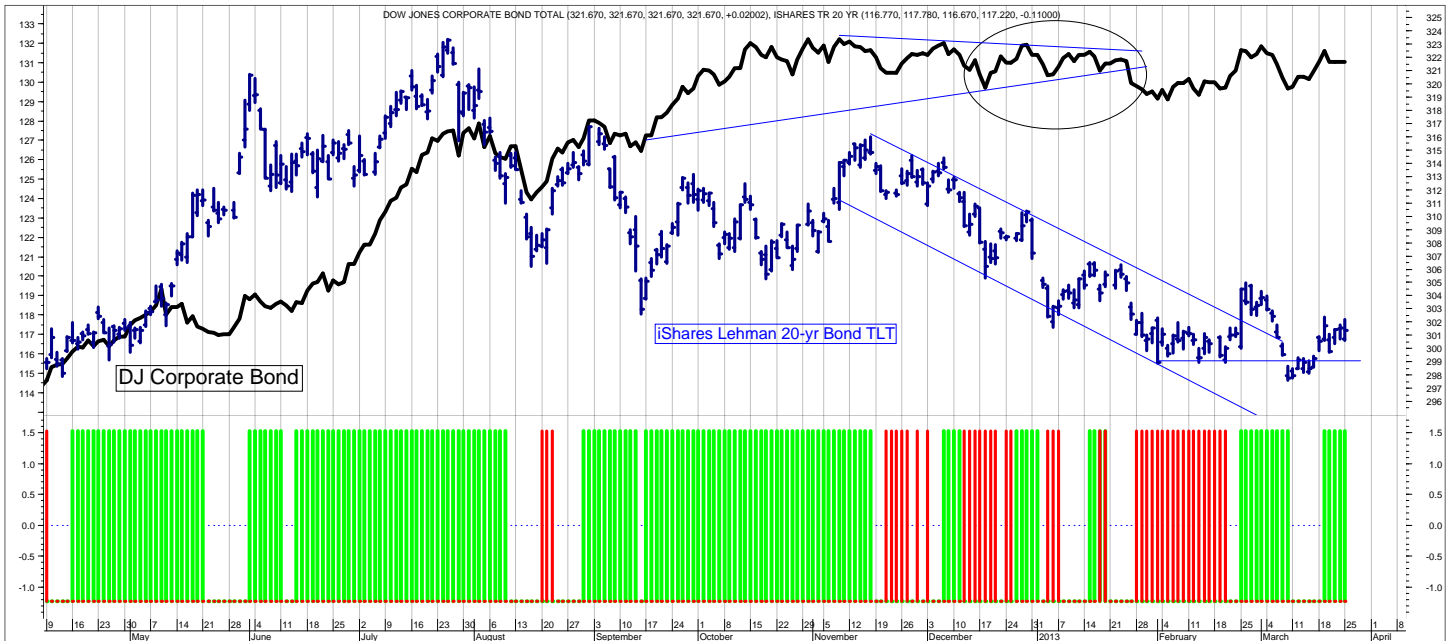
This is the ETF Income Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. CS is Comet Strength (not shown). C is Comet (not shown), which is an ETF's risk-adjusted performance; the higher the better. V, CS,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

3/25 No changes.

3/18 Still bullish. Buying more, see page 2.

3/11 Bond prices have pulled back, but we're holding tight for now.

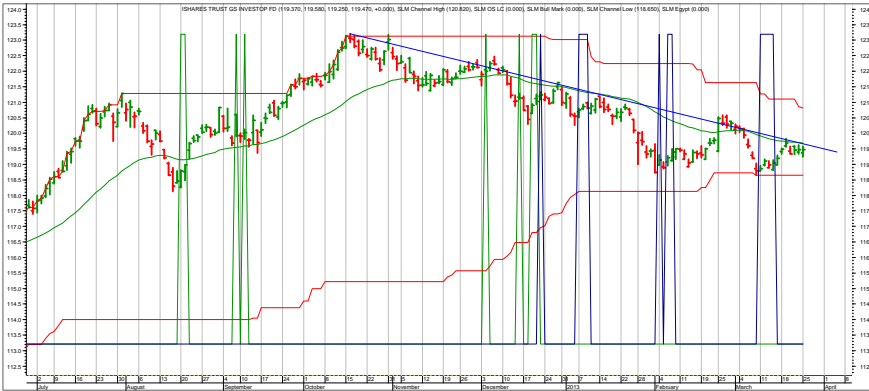
3/4 The SLM Bond Model has turned back bullish. This may also be whipsawish like the previous signals, but we'll jump onboard nonetheless. See the Portfolio on page 2.

2/25 Still defensive. Given the upcoming budget battle and ongoing Fed easing, hard to imagine that the bond bull market has ended. So, will monitor for potential reentry points.

2/19 The domestic corporate and Treasury markets remain weak. Remain defensive.

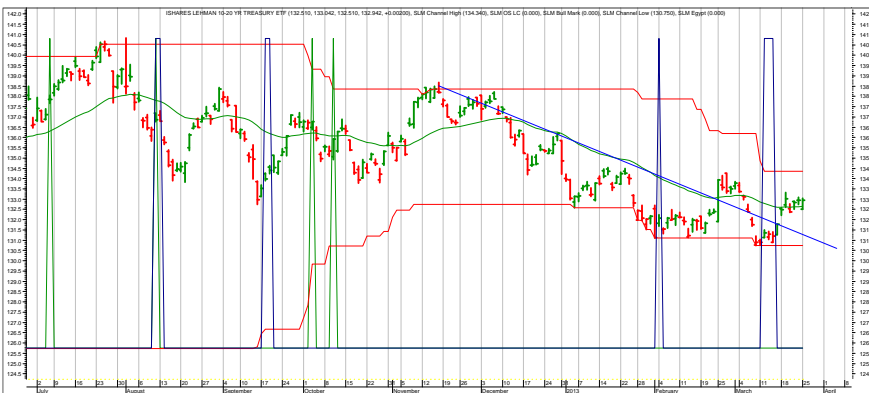
2/11 Intermediate-term trend is down (lower prices and higher yields) for now.

Income Charts



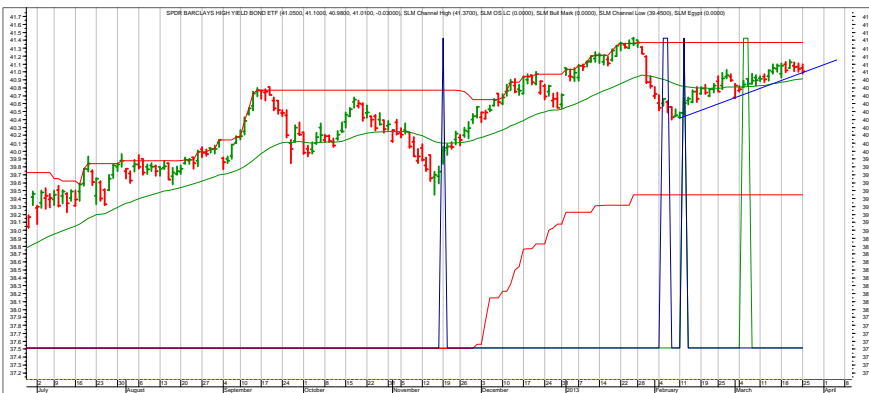
LQD—Investment Grade Corporate

3/25 Needs to break the down trend.
 3/18 Buy zone.
 3/11 Back to support.
 3/4 Back to resistance.
 2/25 Still cautious.
 2/19 Pulling back.
 2/11 Buy signals showing up, but I remain cautious.



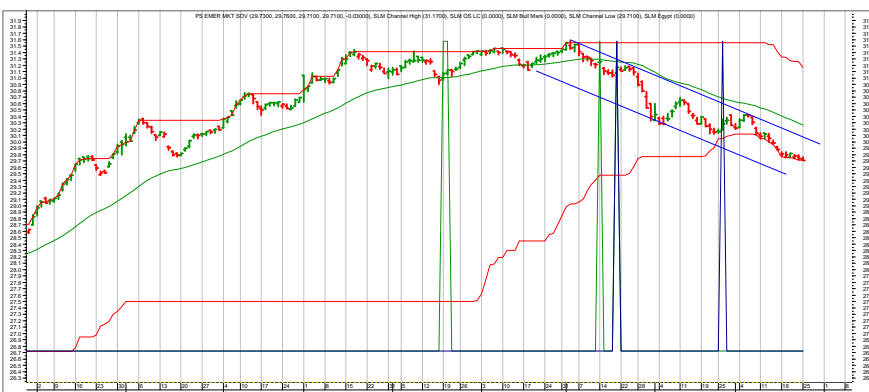
TLH—10-20 year Treasuries

3/25 No changes.
 3/18 Buy zone.
 3/11 Back to support.
 3/4 Possible break to the upside.
 2/25 Possible bounce.
 2/19 Pulling back.
 2/11 Could be a bounce trade is due.
 2/4 Nearing the bottom of a down channel.
 1/28 No changes.



JNK—hi-yield bonds

3/25 No change.
 3/18 No change.
 3/11 No change.
 3/4 Hold on.
 2/25 Watch for rebound to new highs.
 2/19 Accumulate.
 2/11 Fairly hard selloff that should lead to a rebound for nimble traders.



PCY—International Bonds

3/25 No change.
 3/18 World debt is out of favor. Watch stop.
 3/11 Back to support.
 3/4 Hold on.
 2/25 Accumulate.
 2/19 Accumulate.
 2/11 No changes.
 2/4 Watching for a buying area.

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:			3/22/2013			
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
						LONG ETFs-							
10-Dec	buy	EEM	43.03	526	22,644	EEM		Emrg Mkt	43.03	41.96	529.380	22,212.78	18.2%
10-Dec	buy	EFA	55.55	409	22,730	EFA		Euro Asia	55.55	59.36	413.490	24,544.77	20.1%
10-Dec	buy	IWM	82.54	274	22,626	IWM		Rusl 2000	82.54	94.16	276.410	26,026.77	21.3%
10-Dec	buy	QQQ	65.12	347	22,607	QQQ		Nsdq 100	65.12	68.59	349.800	23,992.78	19.7%
10-Dec	buy	SPY	142.47	159	22,663	SPY		S&P 500	142.47	155.60	160.920	25,039.15	20.5%
						Two potential ways to sell: Stop loss is roughly 8% below current level, or timing model may also signal sell.							
						SHORT ETFs-							
						Cash from short							
						Money Market							
						Total Valuation=							
						121,983.25							
						100.0%							

WEEKLY REVIEW

3/25 No changes. The difference in performance for 2013 is still attributable to the daily rebalancing of the index versus the static portfolio allocation at purchase. This may also work in reverse (outperformance of the index).

3/18 No changes.

3/11 No changes to the portfolio.

3/4 No changes.

2/25 The stop loss is closer now to 8%, rather than the previous 10%, of the value. Alternatively, the timing model itself may give a sell signal. In the meantime, it is still bullish.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	7.9	22.0	5.4
World Growth Index	17.2%	-4.2	14.3	8.9	40.8	10.5

The ETF Growth Portfolio changed as of 12/10/12. It is following the new World Growth Model (WGM), which uses the same 5 etfs (EEM, EFA, IWM, QQQ, SPY) as the World Growth Index (WGI). The difference is WGM uses timing and WGI is always fully invested. WGI is rebalanced to 20% in each position daily (this accounts for the different returns when WGM is invested). Returns are of previous years, year to date (ytd), and from inception (incptn). It also shows standard deviation (SD). Work continues on Selecting models to buy the top ETFs and short the bottom ETFs. These, if warranted, will be incorporated into the Growth Portfolio also.

Top ETF Growth Ranking to 2/28/13 (month end)

Fund Name	Symbol	Style	12m	9m	6m	3m	1m	V	NAV	Rank
Guggnhm Airline	FAA	EA	33.67	26.23	38.88	23.22	4.34	5.15	39.22	*****
Guggnhm Spin Off	CSD	EMC	25.15	25.15	21.62	12.02	3.23	2.96	32.29	*****
Guggnhm Timber	CUT	EA	19.42	43.15	29.28	15.62	2.91	4.52	22.27	*****
iShares DJ US Home Constr.	ITB	EA	62.46	48.14	24.32	10.13	-4.01	5.97	22.49	*****
PS Dynmc Bldg Cnstrctn	PKB	EA	39.02	48.27	27.83	12.21	0.27	4.80	18.83	*****
PS Dynmc Energy	PXI	EA	17.00	35.15	19.99	16.73	2.01	4.07	48.72	*****
PS Dynmc Energy Explor	PXE	EA	22.79	46.09	23.38	17.45	2.44	5.29	31.10	*****
PS Gbl Listd Prvt Eqty	PSP	EW	23.69	40.20	25.84	17.20	3.31	4.52	11.22	*****
PS S&P SmlCap Industrls	PSCI	EA	19.87	28.71	21.85	13.76	1.48	3.50	34.90	*****
PS S&P SmlCap Mtrls	PSCM	EA	20.94	32.88	21.23	12.77	-0.09	3.86	34.15	*****
SPDR S&P Homebuilders	XHB	EA	42.19	37.96	20.47	7.84	-1.80	4.77	28.30	*****
Wtree Japan Hedge Eqty	DXJ	EC	16.76	34.57	31.57	22.67	2.74	5.31	40.94	*****
Guggnhm China REIT	TAO	EWR	24.61	40.17	27.74	4.71	-3.39	6.45	23.06	****
Guggnhm Gbl Wtr	CGW	EW	17.01	22.18	14.78	9.91	1.72	3.01	23.60	****
Guggnhm MidCap Core	CZA	EMC	15.82	19.89	14.65	11.98	2.21	2.43	37.07	****
iShares Australia	EWA	EW	19.80	37.05	18.65	11.52	2.91	4.22	26.88	****
iShares Russel MidVal	IWS	EMC	18.71	24.41	15.95	12.23	1.70	2.75	54.91	****
iShares Russell 1000 Value Indx	IWD	ELC	17.52	22.17	12.83	10.05	1.21	2.74	78.40	****
iShares Russell 2000 Value Indx	IWN	ESC	16.68	22.37	14.09	11.53	1.00	3.10	80.81	****
PS DWA Emrg Mrkt T Ldrs	PIE	EW	11.82	23.14	17.19	10.18	4.96	3.26	19.69	****
PS Dyn MagniQuant	PIQ	ELC	16.23	22.49	14.38	11.27	1.68	2.95	29.70	****
PS Dyn Mrkt	PWC	ELC	19.40	24.29	12.56	12.04	1.41	3.36	53.25	****
PS Dynmc Leisure & Enter	PEJ	EA	21.62	17.31	15.29	10.67	1.09	3.30	24.97	****
PS Dynmc Lrg Cap Value	PWV	ELC	18.90	21.80	11.84	9.82	1.64	2.54	23.56	****
PS Dynmc Media	PBS	EA	23.96	29.85	14.54	11.14	3.91	3.65	18.09	****
PS Dynmc Oil & Gas Srvcs	PXJ	EA	6.47	31.29	19.05	18.21	1.97	4.76	23.34	****
PS Dynmc Pharma	PJP	EA	25.43	24.54	14.35	9.91	1.89	3.25	37.81	****
PS FTSE RAFI Asia Pac xJpn	PAF	EW	13.99	31.19	16.66	8.52	2.27	4.05	59.07	****
PS S&P SmlCap Fincl	PSCF	EA	18.70	19.69	11.30	11.60	2.08	2.79	33.30	****
PS Water Resources	PHO	EA	19.94	29.09	20.01	11.08	1.77	3.35	22.46	****
PS Zacks Micro Cap	PZI	ESC	18.17	24.55	16.33	12.69	1.42	3.65	12.88	****
Select SPDR Div	SDY	EGI	16.95	18.99	12.67	9.31	2.18	1.93	63.25	****
Select SPDR Financs	XLF	EA	21.39	27.48	17.25	12.32	1.21	4.05	17.59	****
Select SPDR Health	XLV	EA	22.61	22.10	13.03	8.57	1.26	2.48	43.45	****
Select SPDR Indl	XLI	EA	12.62	20.38	14.25	11.16	2.22	2.52	40.97	****
SPDR S&P Bank	KBE	EA	19.18	22.01	16.61	12.70	2.04	3.94	26.00	****
Vngrd Fincl Srv	VFH	EA	21.03	25.83	16.21	12.30	1.60	3.73	36.72	****
Vngrd Health	VHT	EA	22.45	22.04	12.64	8.85	1.27	2.66	78.10	****
Vngrd Small Cap Value	VBR	ESC	17.32	23.51	15.28	11.79	1.62	2.92	78.59	****
Wtree Eur SC Div	DFE	EW	16.02	33.50	22.96	13.36	-1.52	4.63	42.76	****
Wtree Intrntl REIT	DRW	ERE	21.64	30.96	15.44	5.73	-0.72	4.05	30.41	****
Wtree Intrntl SC Div	DLS	EW	15.93	29.39	20.64	12.23	0.64	3.73	54.69	****
Wtree MidCap Div	DON	EMC	16.79	21.06	13.45	10.04	1.50	2.40	62.12	****
Wtree MidCap Earn	EZM	EMC	13.50	24.96	17.03	11.16	1.53	3.17	67.67	****
Wtree Middle East Div	GULF	EW	13.18	19.12	17.45	12.47	3.66	2.59	16.69	****
Wtree Sml Cap Div	DES	ESC	19.19	23.44	14.42	11.56	2.19	2.87	54.78	****

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>
Alerian MLP	AMPLP	EGI	6.23	13.72	7.81	6.14	0.31	2.34	17.08	***
Guggnhm China All	YAO	EWR	1.19	18.05	17.88	5.30	-4.96	5.00	25.08	***
Guggnhm China Sml	HAO	EWR	4.57	24.01	32.20	10.23	-1.61	5.93	24.48	***
Guggnhm Dfnsv Eqty	DEF	EV	15.28	15.61	9.10	8.06	2.27	2.01	31.12	***
Guggnhm Gbl Div	LVL	EW	0.53	17.51	7.67	5.43	-2.43	3.58	13.27	***
Guggnhm Insdrr Sent	NFO	EMC	11.38	21.62	12.19	10.29	0.29	3.01	37.57	***
Guggnhm Intrntl A Incm	HGI	EW	-0.95	17.53	8.55	5.78	-1.94	3.44	17.16	***
Guggnhm Multi Ast In	CVY	EV	11.70	17.45	7.76	7.05	0.04	2.26	23.33	***
Guggnhm R J All	RYJ	ELC	9.52	17.07	11.99	10.18	0.36	2.77	25.20	***
Guggnhm Shipping	SEA	EA	-1.93	9.54	14.49	10.94	-1.27	4.82	17.05	***
iShares Canada	EWG	EW	-0.62	13.91	3.98	1.72	-2.25	2.96	28.22	***
iShares China	FXI	EW	-0.69	19.48	18.04	5.07	-6.08	5.36	38.95	***
iShares Cohen&Str REIT	ICF	ERE	13.70	10.30	2.71	7.00	0.30	2.87	81.04	***
iShares Core S&P 500	IVV	ELC	13.42	17.60	8.78	7.55	1.36	2.69	152.50	***
iShares Core S&P Mid Cap	IJH	EMC	14.36	20.35	14.17	10.53	0.85	2.75	110.03	***
iShares DJ Slct Div	DVY	EGI	14.40	14.45	8.86	7.00	1.60	1.80	61.09	***
iShares EAFE Indx	EFA	EW	10.24	26.17	14.05	6.86	-1.29	3.49	58.22	***
iShares Emrg Mrkt Stk	EEM	EW	-0.69	16.78	10.70	4.06	-2.28	3.88	43.21	***
iShares Europe 350	IEV	EW	9.85	27.80	12.74	5.11	-3.45	3.93	39.68	***
iShares Germany Indx	EWG	EW	10.75	30.41	16.26	4.89	-4.05	5.26	24.67	***
iShares Hong Kong Indx	EWH	EW	13.61	30.23	19.24	6.01	-0.84	4.16	20.12	***
iShares Japan	EWJ	EW	4.30	17.19	13.89	10.59	2.41	3.63	10.21	***
iShares Malaysia Indx	EWM	EW	1.32	7.08	1.61	0.50	1.18	2.39	14.62	***
iShares Mexico	EWX	EW	21.70	32.55	16.48	6.30	-3.12	4.57	71.32	***
iShares Prfrd	PFF	EGI	9.14	9.99	4.25	2.27	0.53	1.43	40.17	***
iShares REIT	IYR	ERE	17.62	14.56	5.93	8.38	1.26	2.74	68.12	***
iShares Russell 1000 Grwth Indx	IWF	ELC	9.32	13.26	5.59	5.39	1.08	2.63	69.00	***
iShares Russell 2000	IWM	ESC	13.94	20.97	12.94	11.19	1.00	3.19	90.48	***
iShares S&P 100 Indx	OEF	ELC	12.61	16.06	6.71	6.27	1.32	2.69	68.54	***
iShares Singapore	EWS	EW	10.48	22.25	6.69	3.52	-0.80	3.92	13.66	***
iShares Slct Div	IDV	ELC	10.75	26.47	10.74	5.28	-1.95	3.61	34.26	***
iShares South Korea Indx	EWY	EW	3.64	17.92	10.23	4.04	3.56	4.46	61.69	***
iShares Spain	EWP	EW	1.14	47.63	17.33	5.93	-4.75	7.12	29.90	***
iShares Taiwan Indx	EWT	EW	1.34	14.27	8.94	1.72	0.90	3.89	13.52	***
iShares EMU Indx	EZU	EW	8.68	32.02	14.71	4.31	-4.61	5.03	33.12	***
Market Vectors Oil Services	OIH	EA	-0.49	22.85	7.49	11.87	-1.67	5.07	42.87	***
Market Vectors Semiconductor	SMH	EA	3.91	15.37	8.73	11.88	2.39	3.83	35.12	***
PS Aerospace & Def	PPA	EA	11.43	20.57	12.32	6.99	2.73	2.57	21.83	***
PS BLDR Asia 50 ADR	ADRA	EW	6.27	23.36	17.05	10.74	0.41	3.75	27.12	***
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	9.39	25.88	13.31	6.79	-2.13	3.43	21.56	***
PS BLDR Europe 100 ADR	ADRU	EW	8.83	25.63	10.94	4.37	-4.41	3.59	21.03	***
PS Buyback Achievers	PKW	EGI	13.86	17.37	10.44	8.43	2.07	2.43	32.11	***
PS Cleantech	PZD	EA	5.46	21.20	18.68	13.54	2.04	3.79	25.01	***
PS Dividend Achievers	PDM	EGI	14.50	15.98	8.39	7.43	1.52	2.00	17.40	***
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	10.34	26.17	13.28	5.53	0.48	3.45	21.02	***
PS DWA Tech Ldr	PDP	ELC	13.16	13.63	8.92	6.41	1.33	2.47	29.63	***
PS Dyn OTC	PWO	ESC	5.77	12.28	4.63	10.82	1.67	3.20	51.67	***
PS Dynmc Banking	PJB	EA	8.89	10.39	2.61	5.05	-0.86	3.33	13.79	***
PS Dynmc Basic Matrl	PYZ	EA	15.70	25.88	17.15	9.57	-0.95	3.76	42.60	***
PS Dynmc Biotech	PBE	EA	11.40	15.73	6.41	6.05	-0.32	4.02	24.72	***
PS Dynmc Consmr Discr	PEZ	EA	12.64	14.45	8.31	6.57	1.40	2.91	31.78	***
PS Dynmc Consmr Staples	PSL	EA	16.50	17.35	11.37	7.56	3.93	2.34	36.50	***
PS Dynmc Fncl	PFI	EA	16.08	21.58	13.09	8.82	1.12	2.89	22.55	***
PS Dynmc Food & Bev	PBJ	EA	14.40	13.18	9.49	8.65	3.74	1.95	21.93	***
PS Dynmc Healthcare	PTH	EA	18.31	20.01	12.40	11.07	2.68	3.46	36.42	***
PS Dynmc Lrg Cap Grth	PWB	ELC	13.85	14.95	8.88	6.08	1.36	2.66	20.07	***
PS Dynmc Retail	PMR	EA	10.19	8.87	5.78	3.23	0.38	2.56	26.33	***
PS Dynmc Semicndctr	PSI	EA	-1.74	7.18	3.74	8.99	1.13	3.48	15.21	***
PS Dynmc Software	PSJ	EA	11.45	15.13	6.46	9.15	1.65	3.37	29.00	***
PS Dynmc Technology	PTF	EA	7.04	16.39	6.24	11.52	2.54	3.89	28.31	***
PS Dynmc Utilities	PUI	EA	11.51	11.95	6.37	5.80	0.11	1.91	17.99	***
PS Emrg Mrkt Infrastrctr	PXR	EW	-3.07	17.01	17.13	6.90	-2.37	4.47	42.79	***
PS Fincl Pfd	PGF	EGI	10.38	10.46	3.57	2.17	0.95	1.60	18.51	***
PS FTSE RAFI Dvlp Mrkt xUSA	PFX	EW	5.86	26.96	14.30	7.37	-2.18	4.31	37.17	***
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	9.15	25.00	16.28	9.18	0.70	3.60	24.45	***
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	14.33	22.74	14.67	11.17	0.99	3.36	74.65	***
PS Gbl Agriculture	PAGG	EA	7.01	18.08	9.59	5.26	-2.10	3.40	31.68	***
PS Gbl Clean Enrgy	PBD	EW	-6.42	20.15	17.63	18.18	2.73	6.02	8.64	***
PS Gbl Water	PIO	EW	10.25	20.09	13.39	10.08	0.53	3.58	19.00	***
PS Gbl Wind Energy	PWND	EW	-14.45	19.60	14.18	16.54	1.31	5.62	6.20	***

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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>
PS Hi Yld Eqty Div	PEY	EGI	13.60	15.18	10.26	8.83	2.03	1.73	10.16	***
PS Ibtstn Altrntv	PTO	ELC	-1.11	8.54	2.86	-1.29	-1.54	2.34	11.48	***
PS Intrntl Dvdnd	PID	EW	9.24	20.79	10.89	6.91	-0.97	2.46	16.39	***
PS Mega Cap	PMA	ELC	8.64	16.16	5.02	4.74	0.46	2.92	30.42	***
PS MENA Frntr Countries	PMNA	EW	-0.92	4.78	2.83	4.29	0.46	2.13	10.93	***
PS Mrngstr Stk	PYH	ELC	15.17	19.93	9.69	4.92	-1.50	2.92	24.27	***
PS NASDAQ Intrnt	PNQI	EA	13.82	18.18	11.94	11.40	-0.51	3.95	44.65	***
PS RvrFrnt Tac Bal	PAO	EGI	6.04	13.51	7.19	2.66	-1.83	2.52	12.85	***
PS RvrFrnt Tac G&I	PCA	EGI	6.76	10.94	5.07	2.78	-0.67	1.61	13.44	***
PS S&P 500 BuyWrite	PBP	ELC	3.29	5.59	0.48	2.03	0.40	1.64	20.14	***
PS S&P 500 LowVolatility Portfolio	SPLV	ELC	17.22	14.51	8.68	7.07	2.83	1.89	29.70	***
PS S&P SmlCap Cnsmr Dis	PSCD	EA	15.58	18.47	11.11	8.45	-0.25	3.38	35.21	***
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	15.69	11.96	5.34	6.24	1.95	2.80	37.04	***
PS S&P SmlCap Energy	PSCE	EA	-3.25	21.92	12.97	11.30	3.79	4.31	36.67	***
PS S&P SmlCap Hlth Care	PSCH	EA	14.08	16.76	6.84	10.00	2.47	3.64	38.56	***
PS S&P SmlCap Info Tech	PSCT	EA	7.95	18.18	10.31	12.24	1.79	3.05	32.99	***
PS S&P SmlCap Utilities	PSCU	EA	6.69	11.24	4.25	6.92	0.87	2.33	31.35	***
PS US REIT	PSR	ERE	15.34	12.47	5.37	8.00	1.17	2.70	59.55	***
PS WilderHill Prgsv Enrgy	PUW	EA	3.69	19.71	13.25	11.30	0.11	3.82	27.38	***
Select SPDR Cnsmr Disc	XLY	EA	19.88	19.76	12.93	7.85	1.60	3.05	50.93	***
Select SPDR Cnsmr Stpl	XLP	EA	18.17	15.63	9.40	6.88	3.31	2.33	38.09	***
Select SPDR Enrgy	XLE	EA	5.65	23.86	9.66	9.89	0.44	3.60	77.69	***
Select SPDR MatrIs	XLB	EA	6.56	16.05	9.50	5.81	-1.36	3.17	38.49	***
Select SPDR Utilities	XLU	EA	11.68	7.67	5.24	7.18	2.32	2.40	37.43	***
SPDR DJ Glbl Titans	DGT	EW	7.49	21.29	12.79	8.20	-0.86	3.14	58.50	***
SPDR DJ Industrials	DIA	ELC	11.28	15.55	8.56	8.55	1.61	2.41	140.28	***
SPDR Euro Stoxx 50	FEZ	EW	6.79	32.62	13.02	2.54	-6.29	5.30	33.68	***
SPDR Mid Cap Trust	MDY	EMC	14.19	20.10	13.82	10.44	0.83	2.73	200.51	***
SPDR S&P 500	SPY	ELC	13.10	17.36	8.75	7.41	1.28	2.66	151.61	***
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	-1.11	22.16	10.78	9.99	-0.22	4.48	57.97	***
SPDR S&P Regional Banking	KRE	EA	15.23	15.96	10.63	11.01	1.81	3.53	30.37	***
SPDR S&P Retail	XRT	EA	15.86	16.60	10.96	7.02	0.06	2.80	67.09	***
SPDR Wish REIT	RWR	ERE	15.81	12.00	4.50	8.13	0.81	2.92	76.08	***
Vngrd Cnsmr Dis	VCR	EA	18.59	20.21	13.11	7.65	0.68	2.95	81.01	***
Vngrd Cnsmr Stpls	VDC	EA	17.96	16.01	9.54	6.95	3.10	2.28	95.97	***
Vngrd Div Aprprctn	VIG	EGI	13.47	16.63	9.85	7.66	1.16	2.09	63.83	***
Vngrd Emrg Mrkt	VWO	EW	-0.28	17.05	10.96	4.61	-2.36	3.85	43.51	***
Vngrd Europe Pacific	VEA	EW	9.85	26.26	13.98	6.99	-1.15	3.51	36.16	***
Vngrd European Indx	VGK	EW	10.16	28.26	12.80	5.07	-3.40	4.01	49.20	***
Vngrd Extnd 4500	VXF	ELC	13.96	21.02	13.94	10.87	0.82	3.04	65.14	***
Vngrd Grth	VUG	ELC	10.61	14.42	6.25	5.35	0.83	2.78	74.93	***
Vngrd Large Cap	VV	ELC	13.42	17.71	9.32	7.84	1.36	2.68	69.54	***
Vngrd Materials	VAW	EA	7.57	18.10	10.15	6.14	-1.37	3.21	86.33	***
Vngrd MidCap Val	VO	EMC	12.65	19.74	13.30	10.62	1.22	2.78	88.93	***
Vngrd REIT	VNQ	ERE	17.46	13.68	5.63	8.91	1.22	2.95	69.09	***
Vngrd Small Cap	VB	ESC	15.33	22.08	13.81	10.94	1.26	3.05	87.12	***
Vngrd Small Cap Grth	VBK	ESC	13.23	20.53	12.00	9.88	0.89	3.25	95.30	***
Vngrd TTL Intrntl Stk	VXUS	EW	6.99	23.21	12.97	6.17	-1.14	3.46	47.65	***
Vngrd TTL Stock	VTI	ELC	13.54	18.24	9.68	8.14	1.28	2.73	78.24	***
Vngrd Utilities	VPU	EA	12.97	9.43	6.46	7.76	2.31	2.35	81.04	***
Wtree DEFA	DWM	EW	9.95	26.62	12.52	6.90	-1.53	3.58	47.64	***
Wtree DEFA Eqty Incm	DTH	EW	10.52	26.96	11.86	6.51	-2.08	3.43	41.36	***
Wtree Div Ex Fincl	DTN	ELC	14.29	19.28	9.64	7.45	1.55	2.21	59.27	***
Wtree Emrg Mrkt Eincm	DEM	EW	-1.09	11.64	7.93	4.96	-2.40	3.08	55.70	***
Wtree Emrg Mrkt SC Div	DGS	EW	9.29	21.83	16.04	9.90	1.68	3.36	50.90	***
Wtree Eqty Income	DHS	EGI	16.61	15.76	8.13	7.49	1.98	2.23	49.12	***
Wtree Glbl Eqty Incm	DEW	EW	10.12	21.15	9.39	5.66	-1.18	2.61	44.23	***
Wtree Intrntl Div Ex Fincl	DOO	EW	4.12	19.69	7.10	3.95	-3.08	3.21	41.88	***
Wtree Intrntl LC Div	DOL	EW	9.08	25.14	11.08	5.60	-2.27	3.41	45.65	***
Wtree Intrntl MC Div	DIM	EW	11.92	27.89	17.47	8.94	-0.17	3.61	52.05	***
Wtree Intrntl Utilities	DBU	EW	-1.41	10.31	6.43	4.01	-3.02	3.11	18.00	***
Wtree Japan SC Div	DFJ	EWR	5.98	13.34	10.12	7.80	3.05	2.70	45.60	***
Wtree LrgCap Div	DLN	ELC	13.39	15.72	7.79	6.92	1.40	2.23	56.83	***
Wtree S&P 500	EPS	ELC	12.04	18.01	9.56	8.12	1.46	2.87	52.91	***
Wtree Ttl Earn	EXT	ELC	12.89	17.71	10.19	8.24	1.42	2.78	54.34	***
Wtree World Ex US Grth	DNL	EW	2.59	21.49	11.90	4.61	-1.63	3.63	52.53	***

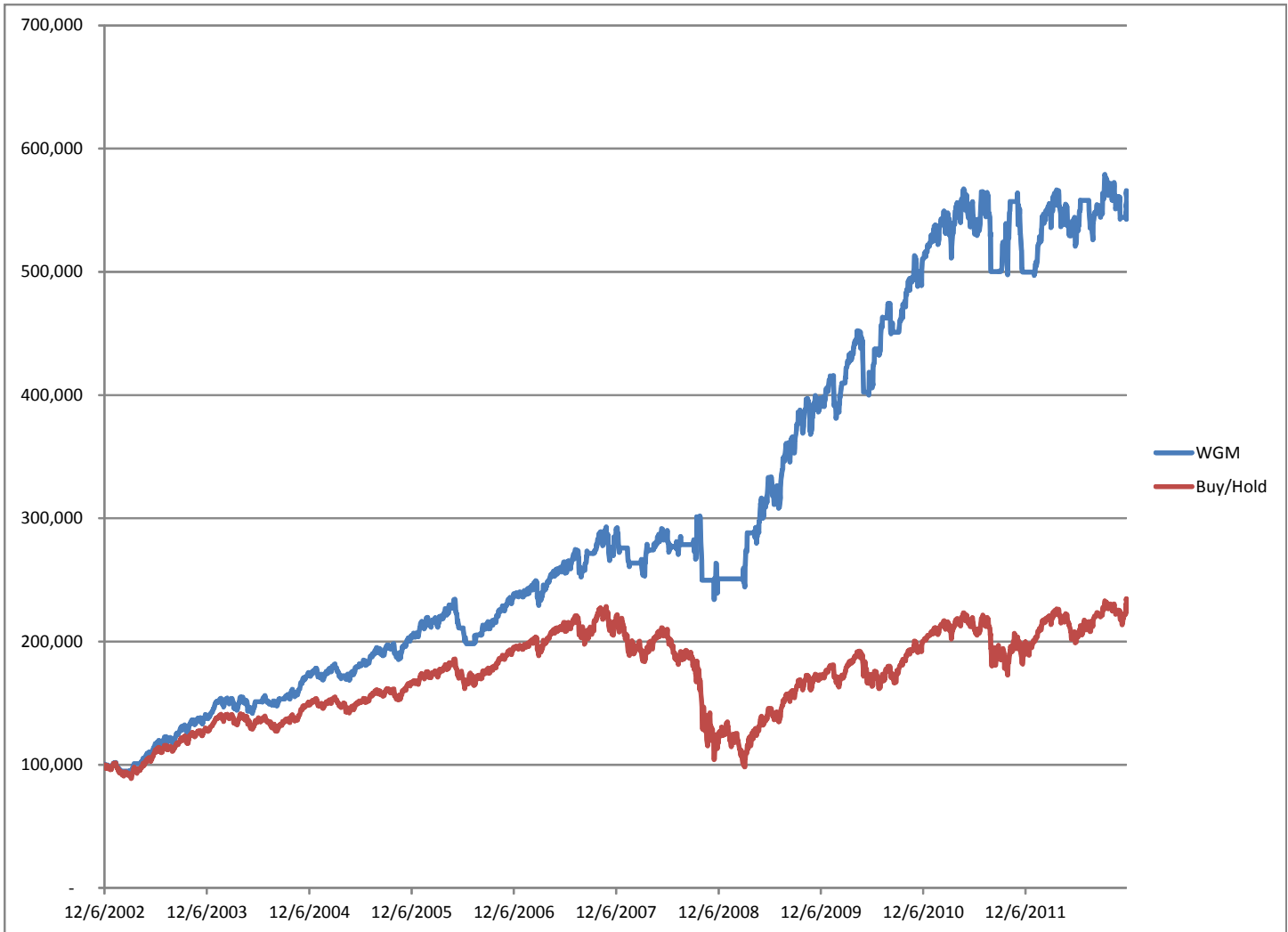
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Bottom ETF Growth Ranking to same month end

<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	-16.41	3.27	-7.87	-4.26	-4.56	3.91	14.87	**
Guggnhm Frntr	FRN	EW	-5.69	2.58	2.21	2.69	-6.17	3.76	19.17	**
Guggnhm Solar	TAN	EA	-32.09	11.68	17.50	37.20	0.17	11.03	17.95	**
iShares Gold	IAU	EG	-6.74	1.05	-6.74	-7.85	-5.12	3.82	15.37	**
iShares Italy Indx	EWI	EW	-4.26	26.49	6.55	-1.98	-12.39	7.13	12.44	**
iShares Latin Amr	ILF	EW	-8.43	10.83	5.45	5.27	-4.70	3.97	43.35	**
Market Vectors Russia	RSX	EW	-10.41	23.62	9.36	6.26	-6.39	7.14	28.85	**
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	-8.05	10.46	5.66	3.05	-3.92	3.93	39.20	**
PS DB Agriculture	DBA	EA	-9.74	1.23	-13.21	-8.49	-5.41	2.85	26.40	**
PS DB Base Metals	DBB	EG	-12.41	1.15	3.58	-3.80	-4.88	4.71	18.50	**
PS DB Commodity	DBC	EA	-7.47	7.49	-5.77	-3.45	-4.71	3.62	27.13	**
PS DB Energy	DBE	EA	-8.21	10.04	-2.66	0.28	-3.92	4.24	28.16	**
PS DB Gold	DGL	EG	-8.08	-0.06	-7.46	-8.33	-5.32	3.88	53.94	**
PS DB Oil	DBO	EA	-17.36	4.09	-5.55	1.42	-6.34	4.65	25.71	**
PS DB Precious Metals	DBP	EG	-10.41	0.09	-8.15	-9.82	-6.23	4.41	53.61	**
PS Dynmc Networking	PXQ	EA	-5.29	7.99	6.84	7.50	-0.04	4.84	26.20	**
PS FTSE RAFI Emrg Mrkt	PXH	EW	-4.91	16.20	9.04	4.26	-2.98	4.27	22.17	**
PS Glbl Coal	PKOL	EA	-30.18	0.22	1.36	0.03	-7.50	5.92	18.62	**
PS Glbl Nuclr Enrgy	PKN	EW	-6.47	12.08	4.72	8.10	-3.64	4.38	16.16	**
PS Glbl Steel	PSTL	EA	-19.35	9.13	14.64	8.55	-4.15	5.81	14.08	**
PS Gldn Drgn USX China	PGJ	EW	-14.20	1.17	5.91	3.35	-3.66	4.85	18.95	**
PS India	PIN	EW	-8.82	14.42	7.83	-1.48	-7.96	6.88	18.04	**
PS Lux Nanotech	PXN	EA	-1.34	3.93	3.59	9.65	-1.25	3.53	6.32	**
PS QQQ	QQQ	ELC	5.47	9.28	-0.72	2.55	0.34	3.30	67.10	**
PS WilderHill Cln Enrgy	PBW	EA	-20.81	6.64	6.69	14.88	-0.90	6.30	4.40	**
Pro Shares Short Russell 2000	RWM	ESC	-16.08	-19.84	-12.90	-10.69	-1.05	3.33	22.55	**
Pro Shares Short S&P 500	SH	EC	-13.86	-16.32	-9.04	-7.30	-1.30	2.74	31.89	**
Select SPDR Technlgy	XLK	EA	4.10	7.55	-1.85	2.31	0.78	3.11	29.63	**
SPDR Gold	GLD	EG	-6.87	0.91	-6.83	-7.86	-5.09	3.80	153.00	**
SPDR S&P Metals & Mining	XME	EA	-20.64	4.14	-0.15	-3.94	-7.55	6.18	40.56	**
US Natural Gas	UNG	EA	-6.76	14.23	1.91	-5.93	2.24	9.48	19.18	**
US Oil Fund	USO	EA	-19.21	1.38	-7.89	1.54	-6.29	5.16	33.06	**
Vngrd Tech	VGTX	EA	1.42	7.65	-1.06	3.07	0.52	3.44	71.01	**
Wtree India	EPI	EWR	-9.57	16.59	11.07	-2.64	-9.41	7.81	18.30	**
iShares Brazil Indx	EWZ	EW	-17.90	9.14	5.55	7.88	-2.89	4.88	55.13	*
Guggnhm BRIC	EEB	EW	-13.30	8.84	6.10	3.95	-4.33	4.53	34.91	*
iPath S&P 500 VIX Shrt Trm	VXX	EC	-75.56	-71.22	-47.94	-19.07	-1.52	15.78	23.97	*
iShares Silver	SLV	EG	-17.91	2.15	-10.56	-14.89	-9.53	7.88	27.54	*
Market Vectors Gold Minors	GDX	EG	-31.80	-13.70	-21.19	-20.55	-10.14	7.52	37.40	*
Market Vectors Junior Gold Miners	GDXJ	EG	-41.12	-14.90	-24.17	-23.74	-16.24	9.23	15.83	*
PS DB Silver	DBS	EG	-19.01	1.43	-10.95	-15.49	-9.87	8.10	48.78	*
PS Glbl Gold Precious Mtls	PSAU	EG	-30.05	-7.13	-14.94	-17.82	-9.00	7.34	30.75	*

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



The chart above compares the past ten years of the backtested World Growth Model (WGM) with a buy/hold of the same five underlying indexes (EEM, EFA, IWM, QQQ, SPY), which is the fully invested always World Growth Index (WGI). 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 WGM 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 (WGI) from 12/6/2002, the WGM 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**

The reason this is important is not because of Cyprus' GDP relative to others, which is tiny, but it is similar to Iceland's impact back in September 2008. Who would have thought that a country the size of Iceland would help to trigger and make worse the financial implosion back then?

Most of us recognize the domestic real estate bubble and burst, but it was Iceland's change that helped trigger the moment when the bubble would finally

burst.

In other words, every bubble bursts, but the timing of such is always elusive. Was Iceland the pin then? At the time, the Dow Industrials had been dropping from 14,000 to 11,000, but then Iceland's banks failed. Prior to that, however, the value of the krona had been declining as a forewarning. In turn, at home, the Dow then plunged to its final lows at 7,000. A drop of 50% from peak to trough in a year and a half.

The 401(k) became a 201(k).

So, the question to put in the back of the mind is whether Cyprus is the pin today?

In the meantime, we'll be vigilant to monitor this and other situations and their possible impact on our portfolios.

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.

3/25 No changes.

3/18 No changes.

3/11 Right now the World Growth Model is set up to signal one buy and then one sell and then one buy, etc. Given that new subscribers or new money gets allocated to this Model, I am reviewing whether a window of buys makes sense or not. The question basically hinges on where one might buy more that is not too far away from the stop level, where risk of loss exceeds potential for gain. In other words, as an example, if one bought today, the stop level is about 8% away. Based on past history, this is too far away to be within that buy window. A pullback such that the stop is less than 5% away (based on history) is much better risk/reward ratio. This will be communicated in subsequent issues as to when this window is open or closed. It is closed right now.

3/4/The ETF selection tables on pages 3 and 7-10 are updated through 2/28/13.

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: As of 12/10/12, it is based on the World Growth Index (WGI), 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 per trade are applied. Interest is zero for the money market (cash) position.

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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.

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