

ETF Selections & Timing

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Recession?

While Europe may or may not be getting its solution to its crisis in order, the US domestic economy is materially weakening. The latest evidence of this is the ISM (Institute for Supply Management) report that came out this morning. It shows contrac-

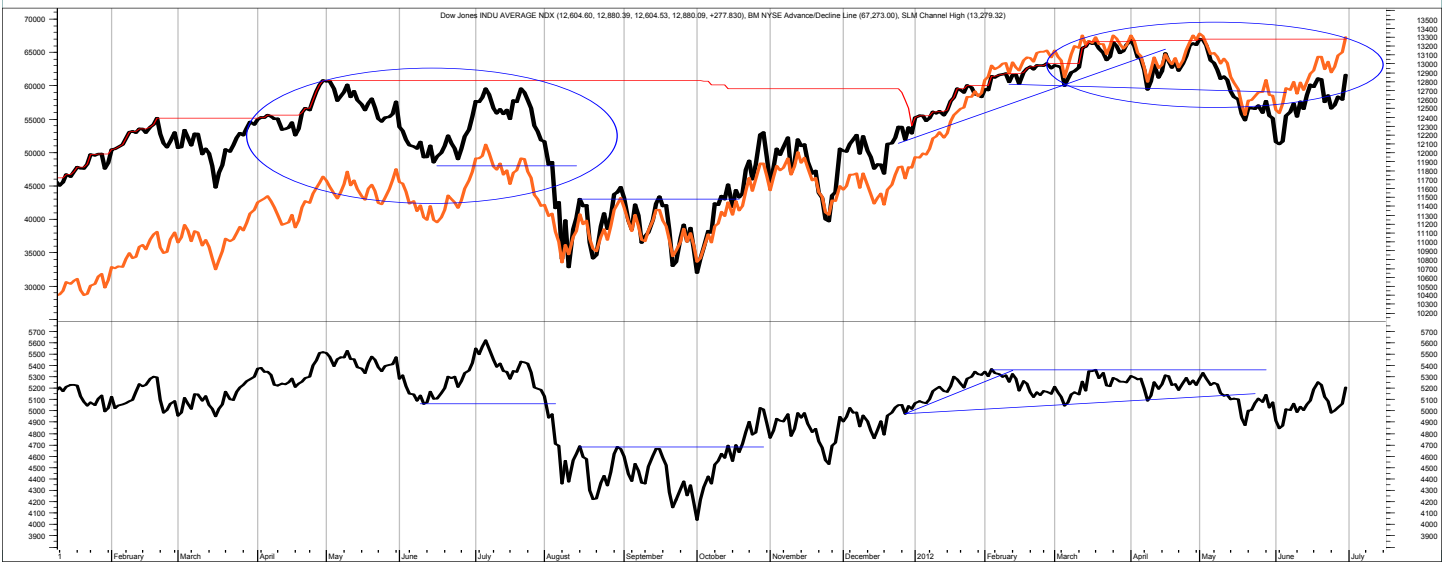
tion, recession.

The number came in sub 50, which, for many who monitor the report, is the dividing line between expansion and contraction, at 49.7%. This is down from 53.5% in May.

To be sure, one number is not sufficient to actually declare

a recession, but when coupled with recent job weakness and weak inflation, one has to at least begin to wonder whether the “fiscal cliff” expected for January, 2013 hasn’t been pulled closer in time or have we

(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

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	1.3%	3.0%	1.3	0.2	1.6	0.3%
ETF Growth Portfolio	-2.8%	-1.3%	-2.8	-3.6	0.9	0.7%
Aggrgt Bond (AGG)	1.0%	4.6%	1.0	1.3	-0.3	0.2%
Wilshire 5000	9.5%	2.3%	9.5	-3.2	6.7	2.2%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 6/29/2012							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 5/28	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
21-May	buy	PCY	27.78	1,200.0	33,346	AGG							0.0%	
21-May	buy	JNK	38.48	900.0	34,642	LQD	115.00	invst grd	116.05	117.59	351	41,301.37	37.5%	
each buy is roughly 34% of total portfolio will be roughly 68% invested and 32% cash														
29-May	buy	LQD	116.05	350.0	40,628	PCY								
1-Jun	sell	JNK	37.30	900.0	33,560	BSV		shrt term cor	81.13	81.13	800	64,904.00	58.9%	
18-Jun	sell	PCY	28.52	1,210.4	34,511									
18-Jun	buy	BSV	81.13	800.0	64,914									
						Money Market					1.00	3,912	3,912.00	3.6%
												Total Valuation=	110,117.37	100.0%

WEEKLY REVIEW

7/1 No changes.

6/25 No changes.

6/18 Take profits in PCY; it is extended to the upside (the old buy the rumor, sell the news). Buy the short-term bond fund BSV.

6/11 No changes.

6/4 The Treasury market is very overbought. Don't chase and consider taking profits.

5/28 Investment Grade bonds (LQD) have pulled back, so time to reenter as noted above..

	2010	2011	ytd 2012	Incptn	SD
ETF Income Portfolio	4.8%	3.6	1.3	10.1	3.2
Aggregate Bond	2.5%	4.3	1.0	7.9	2.2

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

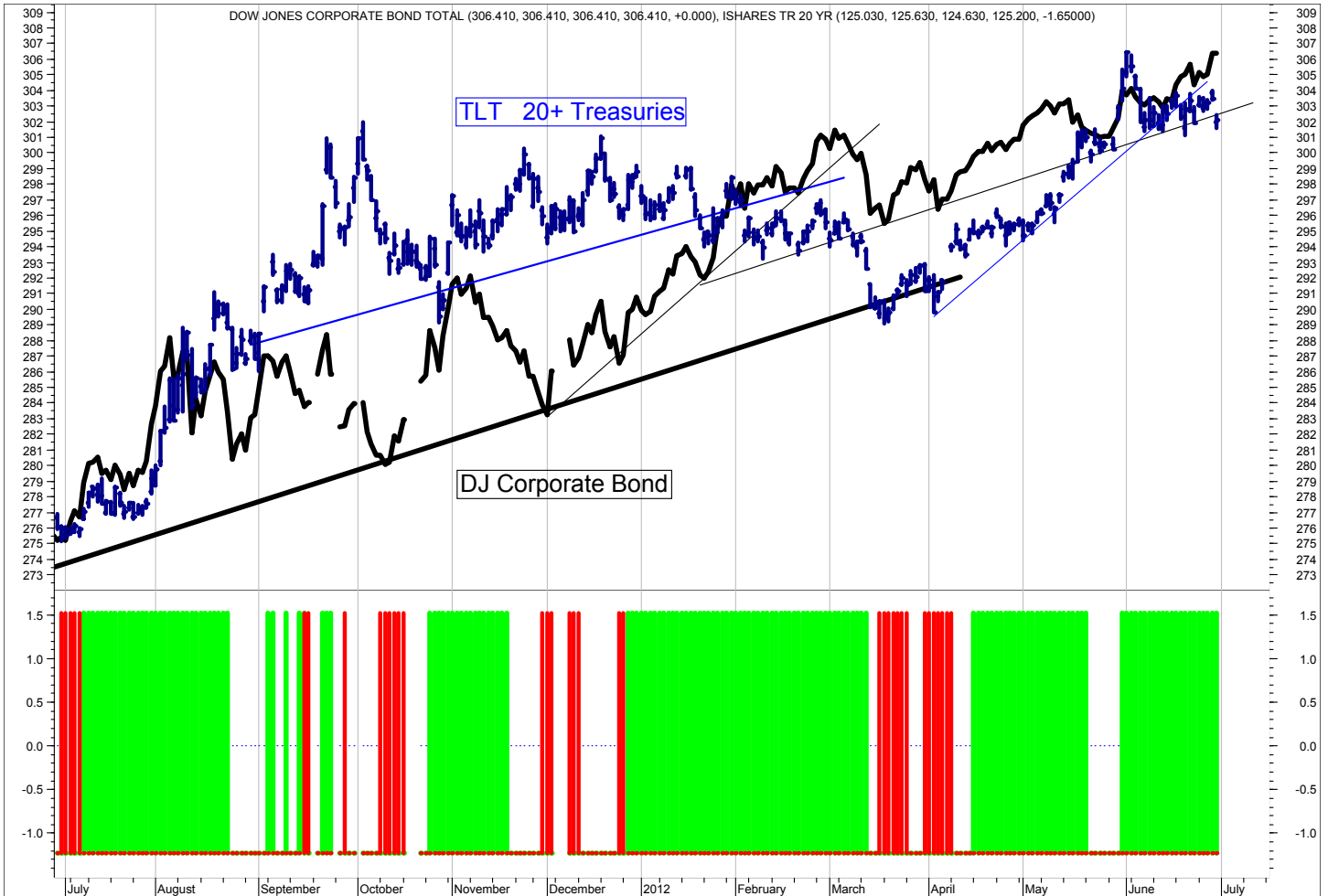
ETF Income Database and Ranking to 5/31/12

<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 20+ yr Trsry	TLT	BL	31.97	19.22	8.25	8.66	8.76	4.25	127.60	*****
iShares Trsry Infltn	TIP	BI	9.43	6.11	3.91	2.22	1.58	1.04	121.31	*****
iShares 10-20yr Trsry	TLH	BL	18.66	9.59	6.04	5.17	4.71	2.61	138.25	****
PS 1-30 Ldr Trsry	PLW	BI	17.51	9.67	5.30	4.97	4.74	2.57	33.56	****
PS Bld America	BAB	BI	12.76	9.61	5.54	2.11	2.04	1.95	30.04	****
PS Insrđ CA Muni	PWZ	BI	8.72	6.23	5.33	0.80	0.80	1.19	25.07	****
PS Insrđ Natl Muni	PZA	BI	8.98	6.33	5.93	1.16	1.12	1.43	25.37	****
PS Insrđ NY Muni	PZT	BI	8.15	5.41	4.65	0.45	0.82	1.13	24.54	****
iShares 3-7yr Trsry	IEI	BI	5.01	1.71	1.58	1.17	0.75	0.79	123.35	***
iShares 7-10yr Trsry	IEF	BI	12.38	5.39	4.48	3.26	2.71	1.78	108.55	**
iShares Agg Bond	AGG	BI	3.82	1.88	1.99	0.72	0.87	0.76	111.56	**
iShares High Yld	HYG	BH	-5.01	-0.30	1.35	-4.73	-3.76	2.37	87.77	**
iShares Inter Bond	MBB	BI	1.31	0.00	0.61	0.25	0.16	0.38	108.46	**
iShares Inter Gov	GVI	BI	2.52	0.86	1.58	0.39	0.32	0.58	112.26	**
iShares Intrntl Tbond	IGOV	BW	-8.55	-11.41	-2.22	-3.67	-3.52	1.99	97.40	**
iShares Long Corp Bond	LQD	BL	4.96	4.13	5.67	-0.62	0.42	1.46	116.97	**
PS DB Dollar Bullish	UUP	BF	7.74	9.11	4.22	4.69	5.41	2.03	22.99	**
PS DB G10 Currency	DBV	BF	-4.97	-3.05	-1.42	-7.94	-5.12	2.57	23.53	**
PS Emrg Mrkt Svrgn Debt	PCY	BW	1.95	-0.43	2.82	-1.32	-2.77	1.87	27.70	**
PS Fdmntl Hi Yield Corp	PHB	BH	-1.66	2.34	2.45	-2.49	-1.92	1.48	18.39	**
PS Low Duration	PLK	BS	-0.05	-0.17	-0.05	-0.52	-0.04	0.30	25.39	**
PS Prfd	PGX	BF	-1.45	0.92	4.17	-1.45	-0.97	1.40	14.23	**
SPDR High Yield	JNK	BH	-6.78	-1.75	0.61	-4.94	-4.08	2.45	38.11	**
SPDR Intrntl TBond	BWX	BW	-5.27	-7.11	-0.85	-3.07	-3.07	1.83	58.64	**
Vngrđ Intrmđt Bond	BND	BI	3.45	1.33	1.38	0.73	0.70	0.67	84.51	**
Vngrđ ShrtTrm Bond	BSV	BS	0.05	-0.72	-0.07	-0.01	0.00	0.35	81.19	**
Wtree Dryfs Chns Yuan	CYB	BF	-1.45	-2.75	-1.95	-1.22	-0.99	0.78	25.11	**
Wtree Dryfs Emrg Crrncy	CEW	BF	-15.67	-14.64	-7.44	-7.87	-6.51	3.35	19.54	**
Wtree Dryfs Jpn Yen	JYF	BF	2.49	-4.69	-3.19	2.52	1.09	2.08	32.50	**
Wtree Dryfs N Zlnd Dollar	BNZ	BF	0.34	-0.85	0.56	-8.00	-10.93	3.66	23.46	**
Wtree Dryfs S Africa Rand	SZR	BF	-18.00	-17.53	-4.03	1.32	-1.29	3.98	24.56	**
Currency Euro	FXE	BF	-14.19	-14.04	-8.08	-7.23	-6.59	2.58	123.03	**
PS DB Dollar Bearish	UDN	BF	-9.21	-9.96	-5.03	-4.98	-5.35	2.00	26.03	**
Wtree Dryfs Brazil Real	BZF	BF	-35.20	-35.74	-28.04	-12.86	-4.61	6.01	18.63	**
Wtree Dryfs Comdty Cur	CCX	BF	-28.13	-28.55	-22.66	-9.09	-6.53	4.68	19.90	**
Wtree Dryfs Euro	EU	BF	-20.39	-20.37	-8.11	-10.72	-10.84	3.34	18.58	**
Wtree Dryfs Indn Rupee	ICN	BF	-27.26	-26.47	-17.73	-10.65	-6.32	4.22	19.72	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	-9.34	-10.05	-1.76	-7.89	-6.56	3.10	48.43	**
iShares 1-3yr Trsry	SHY	BS	0.13	-0.27	-0.07	0.07	0.02	0.16	84.48	*
PS VRDO Tax Free Wkly	PVI	BS	0.00	-0.08	-0.04	0.00	-0.04	0.03	24.99	*

ETF data on pages 3, 7, 8, 9, and 10 are for the periods shown (12months, 9, 6, 3, and 1) through the previous month's close. Generally, we want to own the top ranked ETFs (shown in green) and avoid or short the lower ranked ETFs (shown in red).

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.

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

7/1 No changes.

6/25 No changes. Still trending higher.

6/18 The SLM Bond Timing Model remains bullish on bonds.

6/11 After the spike move, Treasuries have come back down to support levels.

6/4 Spike moves (up or down) are typically not sustainable. You can see the latest spike move in Treasuries above. If you have some, consider taking profits. A pullback is normal.

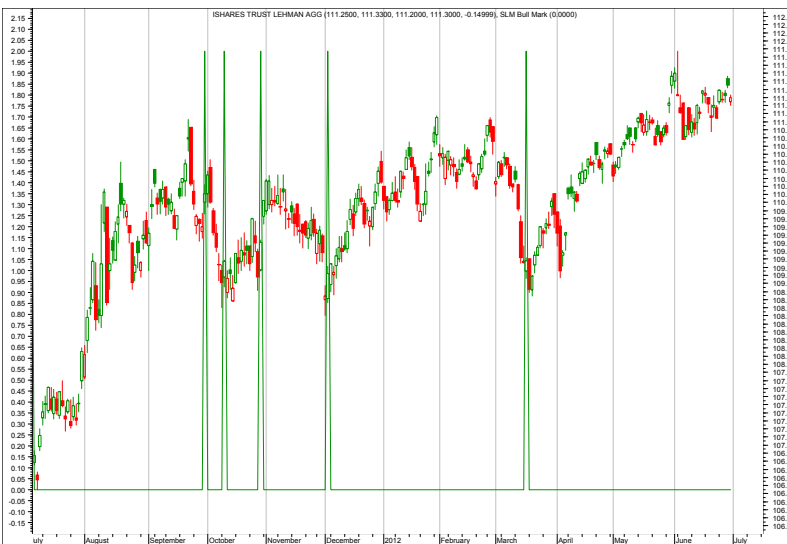
5/29 Treasuries benefiting from EU (Greece and Spain) worries. But is the relative strength waning?

Income Charts



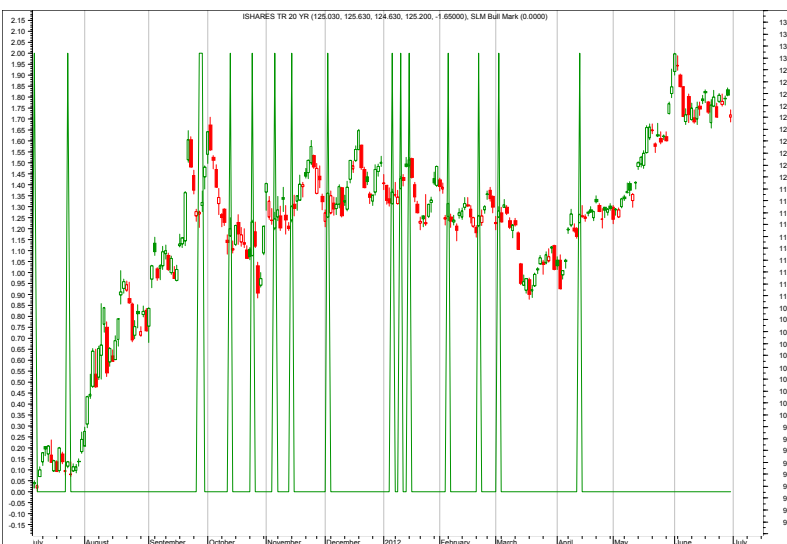
BSV—Short-term corporate

7/1 No changes.
6/25 Holding.



AGG—Aggregate Bond Index

7/1 No changes.
6/25 No changes.
6/18 See if the breakout is valid.
6/11 Pullback into support. Should hold.
6/4 It will be interesting to see if AGG (the aggregate bond market, including Treasuries) can sustain this breakout. Are yields at a permanent new low level?
5/28 Potential breakout with weak economy.
5/21 No changes.



TLT—20+ year Treasuries

7/1 No changes.
6/25 These should generally benefit from the six-month extension of Operation Twist.
6/18 No changes.
6/11 Pullback after the spike.
6/4 New breakout to permanent new low interest rates?

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

ACTION FOR		PORTFOLIO DETAILS				Value as of date:		6/29/2012					
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 5/21	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
						LONG ETFs-							
18-Jun	buy	EEM	39.14	155	6,077								
18-Jun	buy	EFA	49.59	125	6,209	EEM		Emrg Mrkt	39.14	39.10	155	6,060.50	5.4%
18-Jun	buy	IWM	77.36	80	6,199	EFA		Intrntl	49.59	49.97	125	6,246.25	5.6%
18-Jun	buy	QQQ	63.70	95	6,062	IWM		Rus 2000	77.36	79.72	80	6,377.60	5.7%
18-Jun	buy	SPY	134.67	45	6,070	QQQ		Nas 100	63.70	64.21	95	6,099.95	5.4%
						SPY		S&P 500	134.67	136.39	45	6,137.55	5.5%
						SHORT ETFs-							
						Cash from short Money Market							
									1.00	-	-	-	0.0%
									1.00	81,385	81,385.00	72.5%	
									Total Valuation=		112,306.85	100.0%	

WEEKLY REVIEW

7/1 No changes.

6/25 No changes.

6/18 As mentioned, the preliminary allocation model for large cap indexes is completed. It is time to implement as shown above.

6/11 The market has rallied back into resistance. Time to take profits.

6/4 Couple of positions were stopped out in the latest sell off.

5/28 No changes.

5/21 Buy as noted above. Watch the stops. The market is oversold and should bounce back into previous support. This will probably be just a short-term trade.

	2010	2011	ytd 2012	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.8	12.3	5.7
Wilshire 5000 TR	17.7%	0.5	9.5	29.5	10.9

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

Top ETF Growth Ranking to 5/31/12 (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 Spin Off	CSD	EMC	4.40	16.43	11.94	0.00	-4.01	3.60	25.87	*****
PS Dynmc Leisure & Enter	PEJ	EA	8.12	15.84	17.42	3.68	-3.60	4.25	21.43	*****
PS Dynmc Pharma	PJP	EA	13.76	19.59	13.26	0.65	-3.60	3.73	30.83	*****
PS Dynmc Retail	PMR	EA	14.43	24.85	16.26	1.19	-4.70	4.19	24.74	*****
Select SPDR Cnsmr Disc	XLY	EA	6.58	14.72	11.25	-0.21	-5.50	3.62	43.10	*****
Select SPDR Cnsmr Stpl	XLP	EA	4.55	9.36	5.89	1.66	-1.17	2.39	33.78	*****
Select SPDR Utilities	XLU	EA	5.88	5.81	1.85	2.78	0.56	1.72	35.86	*****
Vngrd Cnsmr Stpls	VDC	EA	4.16	7.82	4.74	1.68	-1.56	2.24	85.12	*****
Vngrd Utilities	VPU	ELC	4.69	5.27	1.58	2.27	0.17	1.67	76.28	*****
Guggnhm Airline	FAA	EA	-15.20	8.90	17.91	5.90	4.02	5.57	31.07	****
Guggnhm Dfnsv Eqty	DEF	EV	2.82	7.47	4.10	-0.29	-3.19	2.10	27.62	****
Guggnhm Sctr Rotn	XRO	ELC	0.03	-4.23	10.77	11.98	6.74	4.68	25.89	****
iShares Cohen&Str REIT	ICF	ERE	-0.58	7.60	11.10	2.27	-4.52	4.99	75.18	****
iShares DJ Sict Div	DVY	EGI	1.46	7.73	3.92	-0.94	-3.16	2.41	54.90	****
iShares REIT	IYR	ERE	-2.52	6.99	11.03	1.80	-4.21	4.42	61.22	****
PS Buyback Achievers	PKW	EGI	1.43	12.38	5.45	-3.12	-5.95	3.22	27.67	****
PS Dividend Achievers	PFM	EGI	0.72	7.67	3.73	-1.67	-3.10	2.46	15.30	****
PS DWA Tech Ldr	PDP	ELC	-0.19	8.23	8.63	-0.42	-5.63	3.85	26.30	****
PS Dynmc Banking	PJB	EA	0.40	21.03	13.04	-1.71	-5.40	4.89	12.66	****
PS Dynmc Cnsmr Discr	PEZ	EA	2.86	12.82	13.09	-1.58	-5.87	4.51	28.07	****
PS Dynmc Lrg Cap Grth	PWB	ELC	1.15	12.13	8.95	-1.02	-5.77	3.88	17.65	****
PS Hi Yld Eqty Div	PEY	EGI	1.33	8.05	1.33	-2.25	-2.35	2.01	9.13	****
PS QQQ	QQQ_O	ELC	6.34	12.71	10.05	-3.65	-7.04	4.02	62.06	****
PS S&P 500 High Qlty	PIV	ELC	7.99	-0.30	4.66	5.27	3.99	2.95	14.59	****
PS S&P SmlCap Cnsmr Dis	PSCD	EA	0.84	14.44	13.84	-2.50	-5.27	4.88	30.03	****
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	0.69	7.96	8.52	3.25	-2.06	2.86	33.36	****
PS S&P SmlCap Fincl	PSCF	EA	0.35	11.61	8.99	-0.97	-5.04	4.03	28.45	****
PS US REIT	PSR	ERE	1.86	8.44	10.85	1.97	-4.18	4.40	53.73	****
Select SPDR Health	XLV	EA	0.11	8.23	6.70	-0.08	-3.63	2.94	36.15	****
Select SPDR Technlgy	XLK	EA	5.56	14.28	9.02	-3.51	-6.34	3.66	27.93	****
SPDR Wish REIT	RWR	ERE	0.27	8.66	12.04	2.76	-4.59	4.96	69.63	****
Vngrd Cnsmr Dis	VCR	EA	4.43	13.45	10.14	-1.34	-5.93	3.83	68.41	****
Vngrd Grth	VUG	ELC	0.76	9.46	6.44	-3.59	-6.29	3.54	66.31	****
Vngrd Health	VHT	EA	-0.12	9.16	7.24	0.34	-3.34	3.06	65.05	****
Vngrd Tech	VTG	EA	2.71	12.75	6.87	-5.79	-8.18	4.39	66.75	****
Wtree Eqty Income	DHS	EGI	3.30	9.42	5.59	-0.18	-2.61	2.30	44.04	****
Wtree LrgCap Div	DLN	ELC	1.02	8.93	5.12	-2.60	-4.59	2.70	50.52	****

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>
Guggnhm China All	YAO	EWR	-24.65	-13.32	-5.93	-14.28	-10.39	7.36	21.73	***
Guggnhm China REIT	TAO	EWR	-16.59	-6.38	10.06	-11.10	-7.31	8.55	16.74	***
Guggnhm China Sml	HAO	EWR	-31.36	-16.49	-8.50	-15.68	-8.88	8.51	20.01	***
Guggnhm Euro-Pac	EEN	EW	-15.35	-15.68	-3.35	12.31	4.08	6.10	17.18	***
Guggnhm Frntr	FRN	EW	-16.08	-10.83	0.97	-8.07	-8.68	5.24	19.26	***
Guggnhm Gbl Wtr	CGW	EW	-10.89	-1.40	0.82	-4.22	-7.15	3.89	19.71	***
Guggnhm Inscr Sent	NFO	EMC	-13.18	-0.66	-0.32	-8.42	-8.53	5.06	31.43	***
Guggnhm Intrntl SmlCap	XGC	EW	-20.76	-21.38	-7.87	12.80	7.46	7.10	18.86	***
Guggnhm MidCap Core	CZA	EMC	-2.40	9.56	7.12	-3.38	-4.78	3.75	31.30	***
Guggnhm Multi Ast In	CVY	EV	-5.85	1.47	2.02	-6.03	-5.26	2.97	20.72	***
Guggnhm RJ All	RYJ	ELC	-6.57	8.43	6.35	-6.45	-7.97	4.92	21.60	***
Guggnhm Shipping	SEA	EA	-35.18	-9.76	11.43	-10.97	-11.27	8.25	15.99	***
iShares China	FXI	EW	-26.18	-13.31	-7.54	-16.87	-11.69	6.86	33.49	***
iShares Emrg Mrkt Stk	EEM	EW	-22.32	-11.81	-5.77	-14.96	-10.70	6.49	37.70	***
iShares Europe 350	IEV	EW	-26.71	-11.17	-7.46	-14.04	-11.83	5.76	32.13	***
iShares Gold	IAU	EG	1.47	-14.65	-10.84	-7.71	-6.28	5.82	15.21	***
iShares Latin Amr	ILF	EW	-23.31	-14.68	-7.91	-17.38	-12.18	6.02	40.17	***
iShares Mexico	EWX	EW	-12.64	-7.32	-1.00	-8.19	-11.90	5.03	54.48	***
iShares Prfrd	PFF	EGI	-4.44	1.43	6.59	-2.07	-1.62	2.28	38.31	***
iShares Russel 2000	IWM	ESC	-10.29	4.76	3.23	-6.10	-6.58	4.59	76.11	***
iShares Russel MidVal	IWS	EV	-8.40	5.25	4.05	-4.99	-6.03	3.87	44.91	***
iShares Silver	SLV	EG	-28.30	-33.35	-15.75	-19.64	-10.46	13.09	26.96	***
PS Aerospace & Def	PPA	EA	-8.55	5.11	2.49	-7.63	-7.41	3.80	18.50	***
PS BLDR Asia 50 ADR	ADRA	EW	-19.75	-10.55	-5.25	-13.85	-11.33	4.91	22.39	***
PS DB Gold	DGL	EG	0.20	-15.47	-11.54	-8.03	-6.45	5.78	53.97	***
PS DB Oil	DBO	EA	-19.60	-5.90	-13.94	-20.60	-18.19	7.15	24.70	***
PS DB Precious Metals	DBP	EG	-6.80	-19.63	-12.47	-10.49	-7.11	7.31	53.56	***
PS DB Silver	DBS	EG	-28.83	-33.94	-16.21	-20.16	-10.81	13.32	48.09	***
PS DWA Emrg Mrkt T Ldrs	PIE	EW	-14.22	-10.99	-2.01	-9.19	-10.40	5.83	16.11	***
PS Dyn Dvlp Intrnl Opp	PFA	EW	-15.24	-20.16	-16.76	-0.26	7.26	5.03	15.63	***
PS Dyn MagniQuant	PIQ	ELC	-7.31	5.15	6.05	-5.11	-6.58	4.70	24.71	***
PS Dyn Mrkt	PWC	ELC	-8.92	5.91	7.76	-4.03	-6.86	4.48	43.58	***
PS Dyn OTC	PWO	ESC	-12.35	3.20	5.36	-5.80	-9.09	4.57	46.79	***
PS Dynmc Basic Matrl	PYZ	EA	-14.03	0.50	5.85	-8.29	-9.88	6.17	34.40	***
PS Dynmc Biotech	PBE	EA	-8.16	8.10	9.37	-3.74	-3.91	4.64	21.36	***
PS Dynmc Bldg Cnstrctn	PKB	EA	-6.72	12.02	9.71	-6.24	-10.32	5.99	12.77	***
PS Dynmc Consmr Staples	PSL	EA	-1.35	4.98	4.38	-0.87	-3.03	2.70	31.72	***
PS Dynmc Energy	PXI	EA	-14.60	-4.62	-5.70	-13.43	-9.76	6.23	36.54	***
PS Dynmc Energy Explor	PXE	EA	-17.10	-7.18	-5.40	-16.11	-11.49	6.69	21.72	***
PS Dynmc Fncl	PFI	EA	-5.59	8.37	6.52	-4.57	-6.18	4.38	18.78	***
PS Dynmc Food & Bev	PBJ	EA	-3.53	1.92	4.57	1.08	-0.51	2.40	19.68	***
PS Dynmc Healthcare	PTH	EA	-3.95	9.69	8.55	-1.41	-5.27	4.12	30.67	***
PS Dynmc Indstrls	PRN	EA	-10.01	7.34	5.34	-4.65	-5.00	4.80	28.54	***
PS Dynmc Lrg Cap Value	PWV	ELC	-2.85	8.58	4.17	-2.81	-4.64	3.05	19.74	***
PS Dynmc Media	PBS	EA	-9.35	6.30	9.45	-4.61	-5.51	4.80	14.04	***
PS Dynmc Networking	PXQ	EA	-15.26	7.14	-4.04	-12.30	-12.17	6.43	24.32	***
PS Dynmc Oil & Gas Srvcs	PXJ	EA	-28.25	-17.32	-15.88	-18.91	-13.04	8.06	17.80	***
PS Dynmc Semicndctr	PSI	EA	-20.08	7.10	2.69	-8.36	-8.94	6.49	14.31	***
PS Dynmc Software	PSJ	EA	-6.04	10.87	3.81	-3.19	-6.32	4.45	25.19	***
PS Dynmc Technology	PTF	EA	-10.06	9.26	4.79	-8.03	-10.25	5.13	24.51	***
PS Dynmc Utilities	PUI	EA	-6.36	1.73	1.67	-0.80	-1.24	2.13	16.44	***
PS Emrg Mrkt Infrastrctr	PXR	EW	-31.32	-17.05	-4.13	-17.22	-12.07	8.10	37.17	***
PS Fincl Pfd	PGF	EGI	-4.17	1.33	8.12	-1.68	-1.40	2.47	17.57	***
PS FTSE RAFI Asia Pac xJpn	PAF	EW	-22.43	-12.42	-8.10	-13.43	-11.01	6.42	46.13	***
PS FTSE RAFI Emrg Mrkt	PXH	EW	-25.38	-14.89	-8.37	-18.25	-12.37	6.45	19.49	***
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	-10.74	4.40	3.30	-6.94	-7.61	4.72	61.85	***
PS Gbl Agriculture	PAGG	EA	-18.49	-14.40	-3.23	-9.46	-8.61	5.12	27.13	***
PS Gbl Listd Prvt Eqty	PSP	EW	-29.93	-9.45	1.10	-11.78	-11.02	7.02	8.24	***
PS Gbl Nuclr Enrgy	PKN	EW	-25.91	-13.76	-11.09	-16.58	-10.82	6.17	14.67	***
PS Gbl Water	PIO	EW	-22.89	-8.50	-1.52	-8.19	-8.61	5.32	16.13	***
PS Ibtstn Altrntv	PTO	ELC	-11.61	-9.97	-4.28	-9.60	-7.09	3.56	10.74	***

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

<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 Lux Nanotech	PXN	EA	-33.01	-15.34	-1.12	-5.08	-2.99	5.47	6.17	***
PS Mega Cap	PMA	ELC	-2.31	5.18	2.74	-7.51	-9.10	3.59	26.61	***
PS MENA Frntr Countries	PMNA	EW	-14.97	-7.13	-1.39	-5.94	-6.23	3.07	10.68	***
PS Mrngstr Stk	PYH	ELC	-3.20	5.65	3.99	-3.79	-6.07	3.45	20.58	***
PS NASDAQ Intrnt	PNQI	EA	-4.43	2.69	8.96	-3.70	-8.01	5.73	37.80	***
PS RvrFrnt Tac Bal	PAO	EGI	-13.08	-2.45	0.96	-6.78	-6.70	3.40	11.56	***
PS RvrFrnt Tac G&I	PCA	EGI	-7.11	-0.48	1.72	-4.39	-3.94	2.49	12.42	***
PS S&P 500 BuyWrite	PBP	ELC	-8.24	1.54	-5.44	-2.65	-4.16	2.92	19.81	***
PS S&P SmlCap Energy	PSCE	EA	-22.92	-8.24	-13.01	-20.64	-16.90	7.94	30.30	***
PS S&P SmlCap Hlth Care	PSCH	EA	-3.80	11.73	5.64	-2.39	-4.47	4.51	33.15	***
PS S&P SmlCap Indstrils	PSCI	EA	-8.29	3.98	2.82	-6.99	-6.74	4.92	27.67	***
PS S&P SmlCap Info Tech	PSCT	EA	-11.88	8.22	1.18	-8.65	-8.68	5.27	28.18	***
PS S&P SmlCap Mtrls	PSCM	EA	-13.48	-1.07	1.13	-9.12	-9.82	4.88	25.90	***
PS S&P SmlCap Utilities	PSCU	EA	-4.43	-2.36	-2.85	-4.65	-1.07	2.27	29.20	***
PS Water Resources	PHO	EA	-11.81	2.03	2.03	-7.19	-6.45	4.73	17.55	***
PS WilderHill Prgsv Enrgy	PUW	EA	-21.13	-4.00	-0.04	-13.38	-10.87	6.57	23.04	***
PS Zacks Micro Cap	PZI	ESC	-13.54	4.98	4.36	-5.22	-7.14	4.99	10.54	***
Select SPDR Div	SDY	EGI	-1.45	5.29	1.41	-2.41	-3.71	2.35	54.56	***
Select SPDR Enrgy	XLE	EA	-17.48	-7.30	-10.22	-15.02	-10.68	5.49	63.63	***
Select SPDR Financils	XLF	EA	-11.55	4.71	9.37	-5.08	-9.20	5.77	14.01	***
Select SPDR Indl	XLI	EA	-7.87	7.01	2.30	-6.88	-6.32	4.39	34.67	***
Select SPDR Matrils	XLB	EA	-14.92	-4.30	-2.03	-8.52	-7.77	5.02	33.82	***
SPDR DJ Gbl Titans	DGT	EW	-19.10	-7.70	-4.50	-11.67	-8.94	4.65	49.29	***
SPDR DJ Industrials	DIA	ELC	-1.43	6.68	2.92	-4.32	-6.15	3.09	123.70	***
SPDR Gold	GLD	EG	1.32	-14.69	-10.88	-7.71	-6.34	5.79	151.62	***
SPDR S&P 500	SPY	ELC	-2.54	7.57	5.18	-4.05	-6.01	3.45	131.47	***
Vngrd Div Aprcctn	VIG	EGI	-1.62	6.65	2.50	-3.16	-4.37	2.91	55.80	***
Vngrd Emrg Mrkt	VWO	EW	-22.58	-13.45	-6.86	-14.81	-10.66	6.43	38.02	***
Vngrd Extnd 4500	VXF	ELC	-8.62	5.44	4.31	-5.85	-7.02	4.60	54.70	***
Vngrd Fincl Srv	VFH	EA	-10.24	5.49	9.72	-3.93	-8.14	5.38	29.80	***
Vngrd Large Cap	VV	ELC	-3.00	7.34	5.25	-4.05	-6.15	3.50	60.10	***
Vngrd Materials	VAW	ELC	-14.53	-3.98	-2.59	-8.92	-8.63	5.40	74.47	***
Vngrd MidCap Val	VO	EMC	-8.58	4.24	2.92	-5.93	-7.10	4.23	75.31	***
Vngrd Small Cap	VB	ESC	-8.83	5.43	3.18	-5.55	-6.72	4.62	72.68	***
Vngrd Small Cap Grth	VBK	ESC	-8.87	5.84	3.45	-6.06	-7.20	4.91	79.89	***
Vngrd Small Cap Value	VBR	ESC	-8.79	4.95	2.78	-5.05	-6.32	4.35	65.28	***
Vngrd TTL Stock	VTI	ELC	-3.75	7.25	5.14	-4.37	-6.23	3.57	67.33	***
Wtree Div Ex Fincl	DTN	ELC	-1.71	5.29	1.21	-4.98	-5.29	2.57	51.76	***
Wtree Emrg Mrkt Eincm	DEM	EW	-17.80	-10.20	-1.68	-11.71	-9.15	5.28	51.51	***
Wtree Emrg Mrkt SC Div	DGS	EW	-21.22	-9.72	0.87	-10.42	-9.32	6.14	43.09	***
Wtree Eur SC Div	DFE	EW	-28.01	-11.62	-1.36	-13.35	-12.08	6.45	33.32	***
Wtree Gbl Eqty Incm	DEW	EW	-18.05	-8.67	-3.57	-9.63	-8.25	4.09	37.81	***
Wtree India	EPI	EWR	-32.75	-23.68	-9.75	-22.48	-13.64	8.71	15.83	***
Wtree Intrntl REIT	DRW	ERE	-17.41	-6.88	2.66	-7.12	-7.08	5.37	25.05	***
Wtree Intrntl SC Div	DLS	EW	-19.14	-9.90	-3.34	-10.86	-10.01	4.32	43.76	***
Wtree Japan Hedge Eqty	DXJ	EC	-14.01	-6.50	-4.03	-13.24	-9.61	3.96	30.93	***
Wtree Japan SC Div	DFJ	EWR	-1.82	-5.68	-2.74	-6.50	-7.03	3.19	41.17	***
Wtree LrgCap Grth	ROI	ELC	-2.13	7.45	6.29	-6.10	-5.99	4.02	38.00	***
Wtree MidCap Div	DON	EMC	-5.28	4.65	3.63	-4.26	-5.57	3.36	53.09	***
Wtree MidCap Earn	EZM	EMC	-7.77	4.93	2.89	-9.33	-8.05	4.62	55.04	***
Wtree Middle East Div	GULF	EW	-11.67	-3.77	-3.77	-5.95	-4.72	3.08	14.53	***
Wtree S&P 500	EPS	ELC	-1.39	8.39	5.61	-5.44	-6.48	3.57	45.65	***
Wtree Sml Cap Div	DES	ESC	-5.61	5.90	3.85	-4.23	-4.91	3.59	46.14	***
Wtree Ttl Earn	EXT	ELC	-1.77	8.43	5.98	-4.42	-5.97	3.66	46.95	***

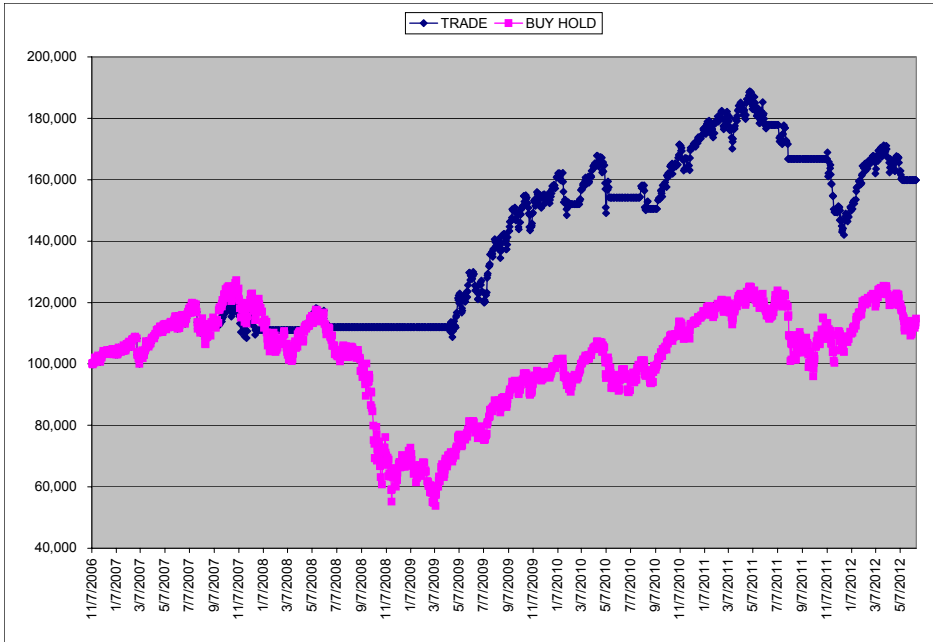
This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

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 BRIC	EEB	EW	-28.25	-19.99	-13.04	-20.34	-13.38	6.82	32.94	**
Guggnhm Candn Enrg Incm	ENY	EWR	-33.23	-19.55	-11.80	-19.60	-14.66	6.71	14.73	**
Guggnhm Intrntl A Incm	HGI	EW	-24.63	-14.50	-8.71	-16.58	-12.06	5.26	15.09	**
Guggnhm Timber	CUT	EA	-29.62	-15.23	-7.08	-16.58	-12.74	5.73	15.75	**
iShares Canada	EWC	EW	-23.04	-15.29	-7.79	-12.75	-10.72	4.38	25.32	**
iShares EAFE Indx	EFA	EW	-23.04	-10.85	-6.79	-12.62	-11.14	4.94	47.76	**
iShares Slct Div	IDV	ELC	-23.32	-13.24	-7.79	-13.11	-11.04	5.12	28.31	**
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	-22.22	-10.39	-7.46	-13.12	-10.53	4.99	17.75	**
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	-22.67	-14.13	-8.75	-16.76	-11.52	5.67	36.40	**
PS BLDR Europe 100 ADR	ADRU	EW	-23.96	-10.08	-7.95	-13.36	-10.75	5.20	17.36	**
PS Cleantech	PZD	EA	-28.40	-15.21	-7.21	-13.09	-9.16	5.62	20.85	**
PS DB Base Metals	DBB	EG	-23.79	-21.27	-8.41	-13.40	-9.28	5.44	18.29	**
PS DB Commodity	DBC	EA	-16.56	-16.31	-8.68	-13.92	-11.16	4.69	25.24	**
PS DB Energy	DBE	EA	-17.13	-12.45	-9.83	-16.59	-14.41	5.47	25.59	**
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	-26.84	-15.08	-7.10	-12.68	-12.13	5.70	17.00	**
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	-28.72	-14.86	-11.06	-16.79	-12.59	5.82	30.10	**
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	-20.95	-13.77	-6.83	-12.72	-10.42	4.28	20.04	**
PS Gbl Steel	PSTL	EA	-39.69	-27.87	-14.39	-24.06	-14.00	7.88	13.51	**
PS Gldn Drgn USX China	PGJ	EW	-29.81	-21.08	-9.92	-15.26	-10.84	6.66	19.17	**
PS India	PIN	EW	-30.30	-21.98	-11.59	-20.38	-10.65	7.46	15.94	**
PS Intrntl Dvnd	PID	EW	-16.21	-8.60	-5.63	-9.97	-9.51	3.75	13.90	**
SPDR Euro Stoxx 50	FEZ	EW	-36.53	-19.04	-14.79	-19.71	-12.65	7.05	26.44	**
Wtree DEFA	DWM	EW	-24.29	-13.09	-8.36	-13.57	-11.36	4.87	38.92	**
Wtree DEFA Eqty Incm	DTH	EW	-25.87	-14.46	-10.34	-13.45	-10.17	5.05	33.90	**
Wtree Intrntl Div Ex Fincl	DOO	EW	-25.17	-14.13	-10.99	-13.58	-9.89	4.64	36.52	**
Wtree Intrntl LC Div	DOL	EW	-23.58	-11.82	-8.39	-13.28	-10.67	5.06	37.69	**
Wtree Intrntl MC Div	DIM	EW	-24.14	-13.56	-5.62	-12.83	-10.62	4.92	41.91	**
Wtree Intrntl Utilities	DBU	EA	-21.66	-13.67	-6.88	-11.04	-8.29	3.88	16.93	**
Guggnhm Gbl Div	LVL	EW	-25.08	-15.56	-11.36	-15.09	-9.77	4.62	12.10	*
Guggnhm Solar	TAN	EA	-76.53	-67.80	-42.74	-39.19	-20.63	13.71	17.58	*
iShares Spain	EWP	EW	-50.59	-40.55	-35.06	-31.49	-17.97	6.94	21.36	*
PS DB Agriculture	DBA	EA	-20.32	-23.54	-10.04	-10.84	-4.43	3.34	26.08	*
PS Gbl Clean Enrgy	PBD	EW	-49.59	-35.22	-19.61	-22.25	-12.20	8.58	7.34	*
PS Gbl Coal	PKOL	EA	-47.43	-38.12	-29.55	-30.35	-21.91	8.67	19.04	*
PS Gbl Gold Precious Mtls	PSAU	EG	-30.35	-33.69	-27.51	-24.78	-9.91	7.07	33.20	*
PS Gbl Wind Energy	PWND	EW	-50.33	-37.94	-27.98	-28.47	-17.19	7.98	5.25	*
PS WilderHill Cln Enrgy	PBW	EA	-55.39	-41.24	-22.83	-26.04	-16.14	8.79	4.26	*
Wtree World Ex US Grth	DNL	EW	-22.93	-14.79	-6.57	-15.88	-12.30	5.78	44.37	*

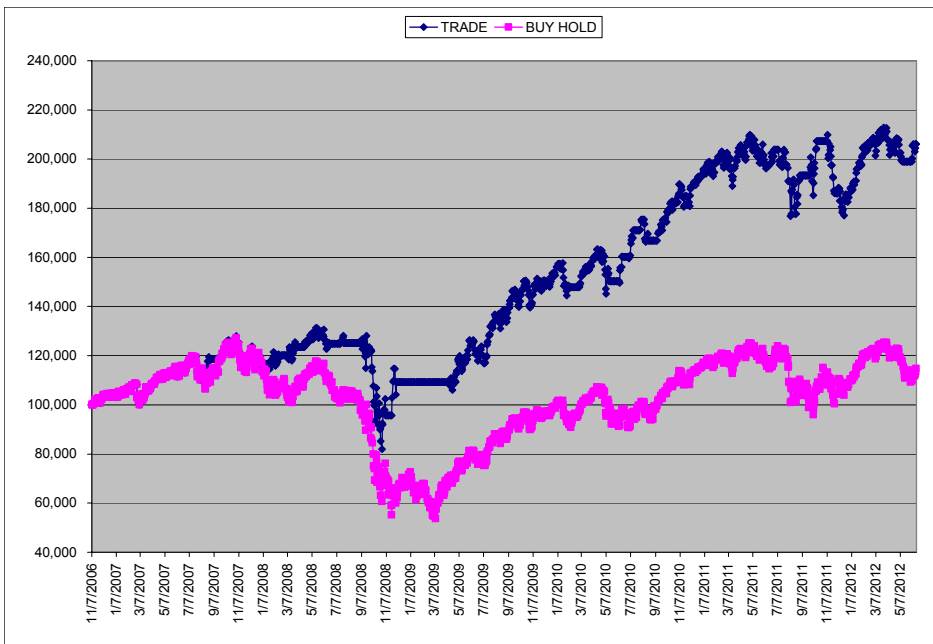
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World Large Cap Growth Model (under construction)



	LIMAX TRADE	Same Buy Hold
2007	6.5	13.4
2008	0.9	-41.2
2009	40.3	41.8
2010	11.0	17.3
2011	-15.2	-6.5
to 6/15/12	8.2	6.2
inception	53.3	10.1

excludes commissions, includes div



	LIMAX TRADE	Same Buy Hold
2007	11.9	13.4
2008	-6.4	-41.2
2009	39.8	41.8
2010	26.7	17.3
2011	-4.7	-6.5
to 6/15/12	11.8	6.2
inception	97.7	10.1

excludes commissions, includes div

I made an addition to the timing component to the World Large Cap Growth Model. (The selecting process is only to use EEM, EFA, IWM, QQQ, SPY) As you can see, over time, it substantially improved performance, but at the expense of volatility, specifically in 2008. The inter-year loss was 34% versus 40% for the index. It was still relatively better, but on an absolute basis, without the benefit of hindsight, way too big of a loss for my thinking. For those who can stomach the volatility, who want to remain fully invested nearly always, this is the best model I've seen so far. Nearly doubling versus up 10% over 5 1/2 years. Perhaps the third rework will prove to be the best combination. Past performance does not guarantee future results.

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.

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) *REVIEW*

just moved closer? The market, after all, is a discounting mechanism. Have we gone over it? Or is this an aberration?

The positives are dwindling into a handful. Real estate really does appear to have hit the bottom and is scrapping along it. Interest rates remain low. The Fed has extended Operation Twist until the end of 2012.

That's about it.

The negatives are Europe's recession, China's slowdown, and the US's slowdown. Where's demand? Where's the growth?

So, while this one ISM report may be nothing more than an outlier blip in the hoped for continued expansion, it really does bear watching.

Much has been, including by me, made recently of high divi-

dends and the low PE around 14, if the E part falters and contracts, the P part will too.

So, I remain cautious, notwithstanding the daily karate-kid off risk and on risk trading mentioned last week.

See the individual portfolio pages for updates.

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 2-5 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 over different time periods. For example, we may be in a secular bear market, but there are cyclical bull and bear markets.

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.

7/1 Second model shown on page 11.

6/25 Tweaking of the new model continues.

6/18 Preliminary five ETF allocation model introduced.

6/11 No changes.

6/4/11 ETF rankings are updated through 5/31/12. A couple of ETFs were deleted that quit trading.

5/28/12 No changes

5/21/12 No newsletter changes.

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.

Growth Portfolio, page 6: Uses the same methodologies as in the Income Portfolio, except as it is applied to stock-oriented ETFs.

Both portfolios were started on 1/1/10 with \$100,000.

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.

Portfolios are updated through the Friday close the week before.

Dividends are reinvested in additional shares. Commissions of \$10/trade and short-term redemption charges, if any, are applied.

Interest is zero for the money market (cash) position.

Wilshire 5000 TR (total return) includes dividend reinvestment. This is a broad based index of domestic stocks.

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