

ETF Selections & Timing

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Ends Well?

The stock market seems only slightly put off by Washington's latest histrionics. Rather than plunge at their inability to govern, it has come off only slightly the last couple weeks. Aware of the danger, but not worried about it.

It seems everyone knows

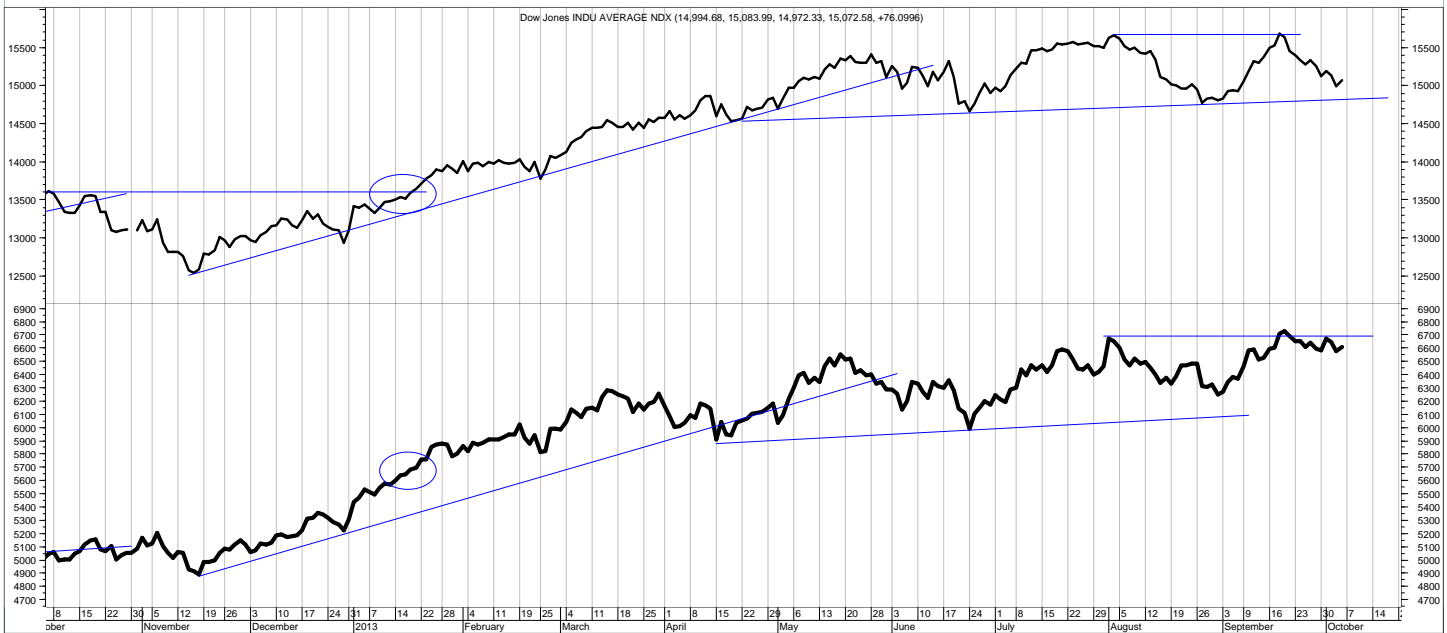
they will wait until the last minute, and then come to a compromise, rather than let the country default on its obligation on their watch.

We know they will raise the debt ceiling, after all, without doing so, they would be prohibited from doing what they do

best; that is, spend other people's money.

This "do the right thing" assumption, however, may very well be tested by them. And why not? They may assume that their constituents will never get

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



This is the daily chart of the Dow Industrials (upper) and Dow Transports (lower)

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	0.1%	0.7%	-0.2	0.9	1.4	-0.1%
ETF Growth Portfolio	23.2%	21.6%	15.5	12.1	7.3	1.8%
Index						
Aggrgt Bond (AGG)	-3.8%	-4.3%	-3.7	1.1	1.7	-0.2%
S&P 500 TR (SPY)	21.1%	16.9%	8.8	3.6	1.7	0.0%
World Growth Index	20.7%	18.8%	12.0	7.2	3.3	0.3%

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Income Portfolio

ACTION FOR			PORTFOLIO DETAILS			Value as of date: 10/4/2013								
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Stop Loss as of 10/4	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
26-Aug	buy	LQD	112.36	300	33,718								0.0%	
26-Aug	buy	PCY	26.64	1,300	34,642									
26-Aug	buy	AGG	106.09	320	33,959									
28-Aug	sell	PCY	26.32	1,300	34,206									
5-Sep	sell	AGG	104.89	320	33,555	LQD	112.00	Invst Grd	111.63	113.34	300	34,002.00	29.8%	
5-Sep	sell	LQD	110.91	300	33,263	PCY	27.20	Intrntl	26.54	27.34	1,300	35,542.00	31.2%	
9-Sep	buy	LQD	111.63	300	33,499									
9-Sep	buy	PCY	26.54	1,300	34,512									
						Money Market					1.00	44,377	44,377.00	39.0%
												<u>Total Valuation=</u>	<u>113,921.00</u>	<u>100.0%</u>

WEEKLY REVIEW

10/7 No changes.

9/30 No changes.

9/23 No changes.

9/16 No changes. We'll continue to hold the two positions and sit in cash with the other 40%.

9/9 Stopped out of the other two positions. But LQD and PCY are now signaling a reentry. Buy back as noted above. This will be roughly 33% of the total portfolio in each position.

9/3 Quick trade in PCY, getting stopped out. Watch the other two closely.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Income Portfolio	4.8%	3.6	4.8	0.1	13.9	4.5
Aggregate Bond	2.5%	4.3	0.9	-3.8	3.7	2.5

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 8/30/13

<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	0.03	0.03	-0.07	-0.03	-0.10	0.08	84.28	*****
Vngrd ShrtTrm Bond	BSV	BS	-0.19	-0.45	-0.60	-0.38	-0.27	0.23	79.96	*****
iShares 3-7yr Trsry	IEI	BI	-2.51	-2.67	-2.49	-1.82	-0.77	0.51	119.88	****
iShares Agg Bond	AGG	BI	-2.85	-3.32	-3.05	-2.12	-0.83	0.61	106.01	****
iShares Inter Bond	MBB	BI	-3.09	-2.81	-2.91	-1.77	-0.67	0.43	104.17	****
iShares Inter Gov	GVI	BI	-1.51	-2.04	-1.92	-1.35	-0.64	0.46	109.11	****
Wtree Dryfs Chns Yuan	CYB	BF	4.62	2.26	2.23	0.54	0.42	0.42	26.16	****
Currency Euro	FXE	BF	4.69	1.36	1.04	1.60	-0.68	1.85	130.84	***
iShares 10-20yr Trsry	TLH	BL	-8.69	-8.69	-6.33	-4.80	-0.97	1.55	123.42	**
iShares 7-10yr Trsry	IEF	BI	-6.40	-6.61	-5.56	-4.27	-1.42	1.08	100.26	**
iShares High Yld	HYG	BH	5.38	2.88	0.18	-0.17	-1.27	1.56	90.87	**
iShares Intrntl Tbond	IGOV	BW	-1.59	-3.73	-1.85	-0.50	-0.73	1.54	97.93	**
iShares Long Corp Bond	LQD	BL	-2.90	-4.84	-4.30	-3.17	-1.00	1.39	112.68	**
iShares Trsry Inflt	TIP	BI	-7.29	-8.84	-7.78	-4.71	-1.83	1.18	110.64	**
PS 1-30 Ldr Trsry	PLW	BI	-8.64	-8.31	-5.99	-4.31	-0.96	1.45	29.88	**
PS Bld America	BAB	BI	-5.98	-7.40	-8.54	-7.83	-1.41	1.59	27.14	**
PS DB Dollar Bearish	UDN	BF	-1.27	-2.51	0.04	1.65	-0.49	1.29	26.42	**
PS DB Dollar Bullish	UUP	BF	-0.49	1.23	-0.80	-1.86	0.41	1.28	22.19	**
PS DB G10 Currency	DBV	BF	-0.76	-4.00	-7.09	-6.64	-2.44	1.72	24.75	**
PS Fdmntl Hi Yield Corp	PHB	BH	3.25	1.31	-0.10	-0.99	-0.88	1.23	18.71	**
PS Insr CA Muni	PWZ	BI	-6.48	-9.21	-8.53	-7.65	-2.25	1.29	22.72	**
PS Insr NY Muni	PZT	BI	-9.02	-11.54	-10.28	-8.91	-2.61	1.51	21.68	**
PS Prfd	PGX	BF	-0.95	-2.38	-4.30	-4.81	-1.65	1.18	13.68	**
SPDR High Yield	JNK	BH	5.27	2.46	0.00	-0.75	-1.03	1.56	39.46	**
SPDR Intrntl TBond	BWX	BW	-4.13	-5.75	-2.63	-0.53	-1.15	1.48	56.79	**
Vngrd Intrmdt Bond	BND	BI	-2.94	-3.28	-2.96	-2.12	-0.86	0.62	79.99	**
Wtree Dryfs Comdty Cur	CCX	BF	-6.19	-7.08	-8.09	-3.79	-2.15	1.55	19.55	**
Wtree Dryfs Emrg Crrncy	CEW	BF	-3.44	-5.57	-6.78	-3.77	-2.82	1.44	19.65	**
iShares 20+ yr Trsry	TLT	BL	-14.79	-13.35	-9.34	-6.72	-1.34	2.46	105.71	**
PS Emrg Mrkt Svrgn Debt	PCY	BW	-8.80	-13.37	-11.06	-7.86	-3.36	2.67	26.24	**
PS Insr Natl Muni	PZA	BI	-8.56	-11.75	-10.49	-9.01	-1.56	1.56	22.52	**
Wtree Dryfs Brazil Real	BZF	BF	-10.67	-7.36	-15.28	-9.16	-3.29	2.37	16.75	**
Wtree Emrg Mrkt Lcl Debt	ELD	BF	-7.81	-11.12	-12.85	-8.94	-4.35	2.09	45.45	**
Wtree Dryfs Indn Rupee	ICN	BF	-11.22	-13.71	-15.13	-13.34	-5.23	2.58	18.12	*

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.

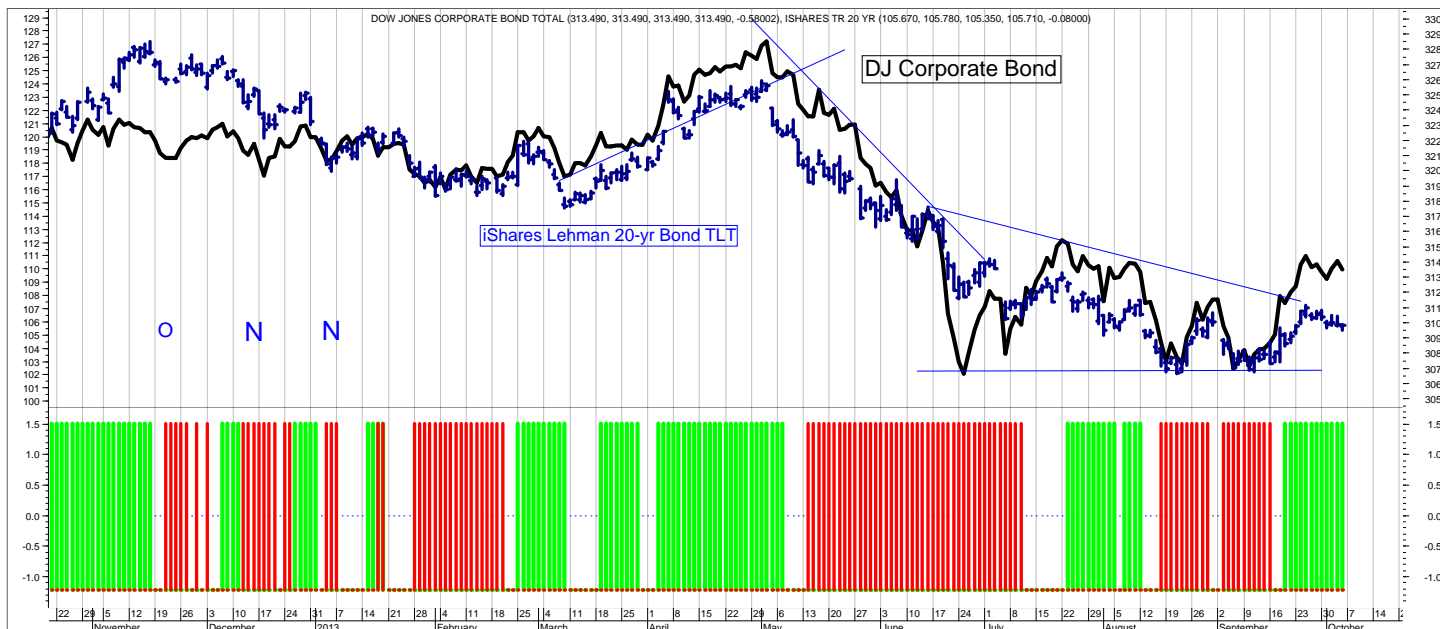
ETF LEGEND for pages 3 (Bond), and 7, 8, 9, and 10 (Equity):

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

10/7 Consolidating the recent jump, as bonds move sideways. Economy is muddling along and taper talk is off, so may see some further gains.

9/30 Bonds popped up through the short-term down trend line. Expect some pullback and consolidation and then we'll see.

9/23 Tapering has been postponed because the economic numbers are coming in weaker than expected. Bonds rallied on the news.

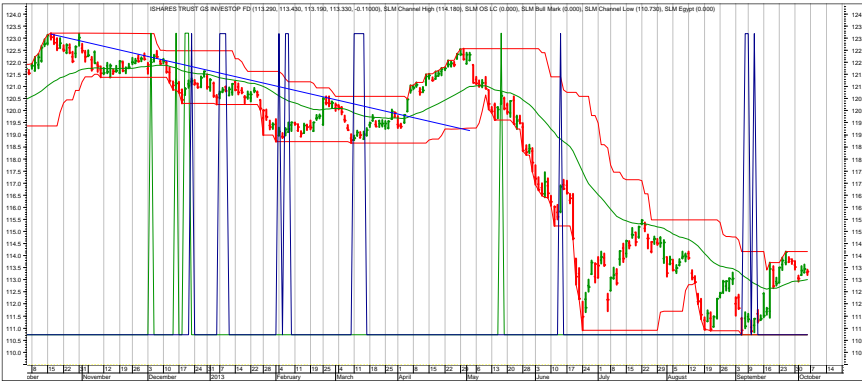
9/16 The bond market is bumping along what will turn out to either be a bottom or a ledge. We will get more information this week in the Fed meeting and potential tapering. Bonds will either move above or below their trend lines shown above.

9/9 Counter rally off for now.

9/3 The counter rally may fall apart and extend the sell off down leg.

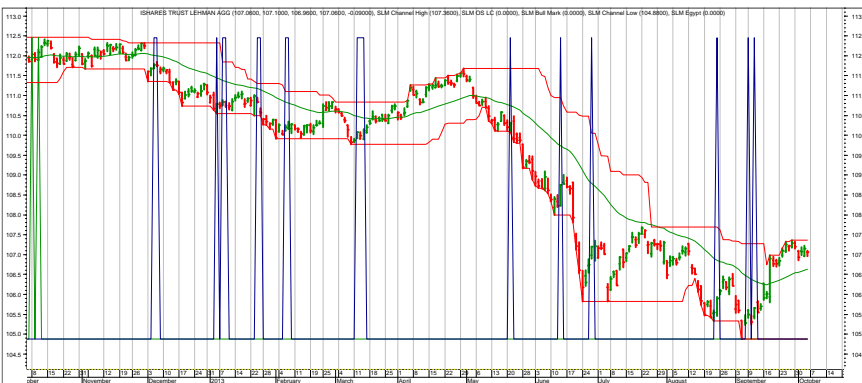
8/26 I'm expecting that counter-trend rally to start and have some purchases shown on page 2.

Income Charts (DAILY)



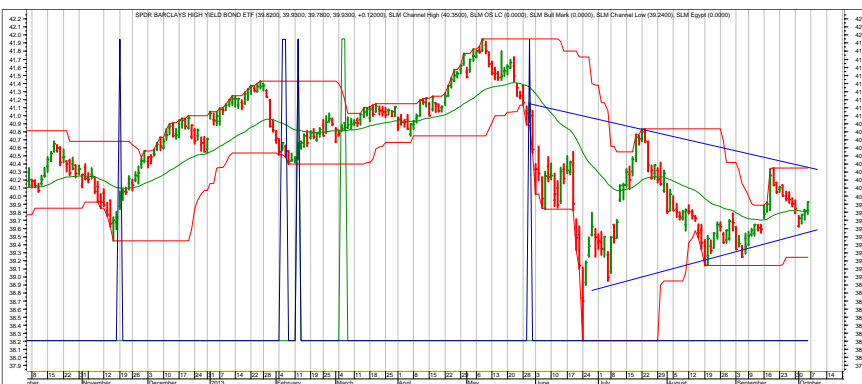
LQD—Investment Grade Corporate

10/7 No changes.
 9/30 Popped through resistance.
 9/23 No changes.
 9/16 Holding.
 9/9 Buy as noted on page 2.
 9/3 Has rallied to resistance.
 8/26 Support evident. Will buy.
 8/19 Watch for support at previous low, but see AGG comments.



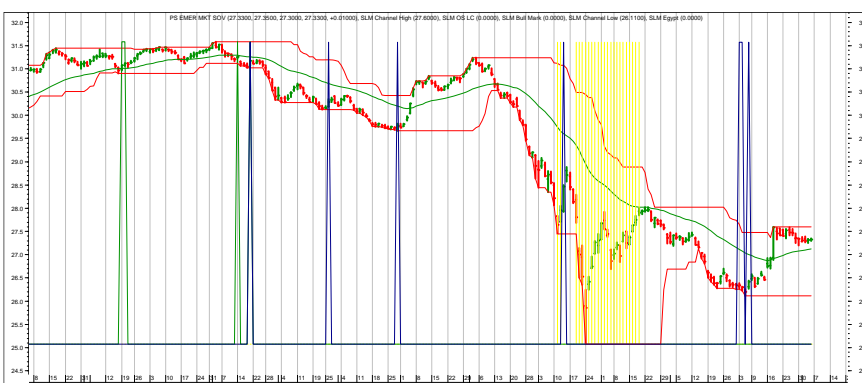
AGG—Aggregate Bond Market

10/7 No changes.
 9/30 Popped through resistance.
 9/23 No changes.
 9/16 Holding.
 9/9 Stopped out. Will watch to reenter.
 9/3 Rally to resistance. Must stay above stop levels to remain a viable trade.
 8/26 Last week's scenario is playing out. Will buy with a close stop.



JNK—hi-yield bonds

10/7 No changes.
 9/30 No changes.
 9/23 Bounced along with the rest of the bond market.
 9/16 Held at lows.
 9/9 No changes.



PCY—International Bonds

10/7 No changes.
 9/30 No changes.
 9/23 No changes. Holding for now.
 9/16 Watch to see if it clears its downtrend line.
 9/9 Reenter as noted on page 2.
 9/3 Stopped out. Will watch for a reentry point.

Each chart shows daily (or weekly if noted in page title at top) prices, a moving average (smoothed green line on price portion), and spikes. The spikes show potential buy signals. The charts do not show sell signals.

Growth Portfolio (changed as of 12/10/12, 9/23/13)

ACTION FOR			PORTFOLIO DETAILS				Value as of date:			10/4/2013			
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
10-Dec	buy	EEM	43.03	526	22,644	LONG ETFs-							
10-Dec	buy	EFA	55.55	409	22,730	EEM		Emrg Mrkt	43.03	42.09	325.440	13,697.77	9.8%
10-Dec	buy	IWM	82.54	274	22,626	EFA		Euro Asia	55.55	63.80	211.060	13,465.63	9.7%
10-Dec	buy	QQQ	65.12	347	22,607	IWM		Rusl 2000	82.54	107.1	128.740	13,788.05	9.9%
10-Dec	buy	SPY	142.47	159	22,663	QQQ		Nsdq 100	65.12	79.46	176.280	14,007.21	10.1%
						SPY		S&P 500	142.47	168.89	81.820	13,818.58	9.9%
23-Sep	sell	EEM	42.22	210	8,856	Tw o potential ways to sell: Stop loss is roughly 8% below current level, or timing model may also signal sell.							
23-Sep	sell	EFA	64.25	211	13,547								
23-Sep	sell	IWM	106.60	150	15,980								
23-Sep	sell	QQQ	78.83	176	13,864								
23-Sep	sell	SPY	169.93	81	13,754								
						C-lect 5							
						PBE			34.79	35.75	370.000	13,227.50	9.5%
23-Sep	buy	PBE	34.79	370	12,882	PGJ			27.97	29.93	469.000	14,037.17	10.1%
23-Sep	buy	PGJ	27.97	469	13,128	PNQI			60.74	62.76	215.000	13,493.40	9.7%
23-Sep	buy	PNQI	60.74	215	13,069	PSCH			48.35	49.46	269.000	13,304.74	9.6%
23-Sep	buy	PSCH	48.35	269	13,016	TAN			30.50	36.12	426.000	15,387.12	11.0%
23-Sep	buy	TAN	30.50	426	13,003	SHORT ETFs-							
						Cash from short							
									1.00	-	-	-	0.0%
						Money Market							
									1.00	1,070	1,070.00	1,070.00	0.8%
						Total Valuation=						139,297.17	100.0%

WEEKLY REVIEW

10/7 No changes.

9/30 No changes.

9/23 In the Growth Portfolio, I will sell half of the existing World Growth Model portfolio and redeploy the proceeds into the new C-lect 5 Model. For each WGM position, I will sell the number of shares necessary to bring each individual ETF position to about 10% of the total. This has the effect of reweighting the Portfolio such that each of the 10 positions (the five current and five new ones) will be invested at about 10% of the total with a nominal cash amount. Both Models (WGM and C-lect 5) employ timing. As I've mentioned, this new model is fairly active, although the current positions, except for one buy/sell, have remained the same top five positions for the last nine weeks.

	2010	2011	2012	ytd 2013	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	-2.1	23.2	39.3	7.9
World Growth Index	17.2%	-4.2	14.3	20.7	54.9	15.1

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 between the two is WGM uses timing and WGI is always fully invested and WGI is rebalanced to 20% in each position daily (this accounts for the different returns when WGM is invested and held).

Based on the successful back testing strategy, C-lect 5 was added to the portfolio on 9/23/13.

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

ETF Rankings by C to previous week's end

<i>Fund Name</i>	<i>Symbol</i>	<i>Style</i>	<i>C</i>
PS Gldn Drgn USX China	PGJ	EW	18.15
PS NASDAQ Intrnt	PNQI	EA	15.39
PS S&P SmlCap Hlth Care	PSCH	EA	13.77
Guggnhm Solar	TAN	EA	13.43
PS Dynmc Biotech	PBE	EA	11.05
PS Dynmc Networking	PXQ	EA	10.69
Guggnhm Shipping	SEA	EA	9.89
PS S&P SmlCap Info Tech	PSCT	EA	9.80
Wtree Eur SC Div	DFE	EW	9.63
SPDR S&P Regional Banking	KRE	EA	9.24
PS Aerospace & Def	PPA	EA	8.85
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	8.37
SPDR S&P Bank	KBE	EA	8.30
PS WilderHill Cln Enrgy	PBW	EA	7.51
PS Gbl Clean Enrgy	PBD	EW	7.16
PS Dynmc Pharma	PJP	EA	6.37
PS Dynmc Leisure & Enter	PEJ	EA	6.33
iShares Spain	EWP	EW	6.20
PS Dynmc Consmr Discr	PEZ	EA	6.19
PS Dynmc Media	PBS	EA	6.05
PS S&P SmlCap Indstrils	PSCI	EA	5.74
Guggnhm RJ All	RYJ	ELC	5.44
US Oil Fund	USO	EA	5.44
iShares EMU Indx	EZU	EW	5.23
PS Dynmc Retail	PMR	EA	5.16
PS S&P SmlCap Energy	PSCE	EA	5.01
iShares Italy Indx	EWI	EW	4.74
Vngrd Small Cap Grth	VBK	ESC	4.72
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	4.67
PS Zacks Micro Cap	PZI	ESC	4.66
PS Cleantech	PZD	EA	4.58
SPDR Euro Stoxx 50	FEZ	EW	4.53
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	4.50
PS Dynmc Software	PSJ	EA	4.45
PS Buyback Achievers	PKW	EGI	4.41
Wtree Intrntl SC Div	DLS	EW	4.39
iShares Slct Div	IDV	ELC	4.27
iShares Russell 2000	IWM	ESC	4.16
PS Dynmc Food & Bev	PBJ	EA	4.10
Guggnhm Spin Off	CSD	EMC	4.05
Wtree Sml Cap Div	DES	ESC	3.94
PS Dynmc Technology	PTF	EA	3.92
Guggnhm China All	YAO	EWR	3.90
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	3.86
Wtree MidCap Earn	EZM	EMC	3.54
SPDR S&P Oil & Gas Expl. & Prod.	XOP	EA	3.52
PS Dynmc Healthcare	PTH	EA	3.46
Vngrd European Indx	VGK	EW	3.36
PS S&P SmlCap Cnsmr Dis	PSCD	EA	3.36
Wtree DEFA Eqty Incm	DTH	EW	3.34

This page and the next three show the equity ETF database rankings based on C. C is Comet, which is the risk-adjusted relative performance; the higher the C ranking, the better.

Comet, not stars, because comets come into and out of prominence over time.

ETF Rankings by C to previous week's end

Vngrd Consmr Dis	VCR	EA	3.33
PS Dynmc Fncl	PFI	EA	3.28
Vngrd Extnd 4500	VXF	ELC	3.28
PS QQQ	QQQ	ELC	3.26
PS Dyn OTC	PWO	ESC	3.22
iShares Europe 350	IEV	EW	3.21
PS Dynmc Semicndctr	PSI	EA	3.20
Wtree Intrntl Div Ex Fincl	DOO	EW	3.18
Wtree DEFA	DWM	EW	2.97
Vngrd Small Cap	VB	ESC	2.95
SPDR S&P Retail	XRT	EA	2.89
Vngrd Health	VHT	EA	2.89
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	2.87
Select SPDR Cnsmr Disc	XLY	EA	2.79
PS Dyn MagniQuant	PIQ	ELC	2.71
Wtree Intrntl MC Div	DIM	EW	2.70
Market Vectors Oil Services	OIH	EA	2.64
Wtree Intrntl LC Div	DOL	EW	2.60
iShares Germany Indx	EWG	EW	2.50
iShares Russell 2000 Value Indx	IWN	ESC	2.50
Select SPDR Indl	XLI	EA	2.29
iShares China	FXI	EW	2.22
PS BLDR Europe 100 ADR	ADRU	EW	2.17
Vngrd Tech	VGT	EA	2.06
Vngrd Small Cap Value	VBR	ESC	1.94
PS S&P SmlCap Mtrls	PSCM	EA	1.94
Market Vectors Russia	RSX	EW	1.89
PS BLDR Dvlpd Mrkt 100 ADR	ARD	EW	1.86
Guggnhm Timber	CUT	EA	1.82
Vngrd Europe Pacific	VEA	EW	1.82
Select SPDR Financls	XLF	EA	1.75
PS Dynmc Oil & Gas Srvcs	PXJ	EA	1.74
PS Gbl Water	PIO	EW	1.67
PS DB Oil	DBO	EA	1.65
Select SPDR Health	XLV	EA	1.64
iShares EAFE Indx	EFA	EW	1.62
iShares South Korea Indx	EWY	EW	1.60
SPDR DJ Gbl Titans	DGT	EW	1.45
Select SPDR Matrls	XLB	EA	1.43
PS S&P SmlCap Fincl	PSCF	EA	1.34
Guggnhm China Sml	HAO	EWR	1.24
Guggnhm Insdr Sent	NFO	EMC	1.21
PS Dynmc Lrg Cap Grth	PWB	ELC	1.16
PS Hi Yld Eqty Div	PEY	EGI	1.12
PS Dynmc Consmr Staples	PSL	EA	1.10
Vngrd Materials	VAW	EA	1.08
Vngrd Fincl Srv	VFH	EA	0.93
Guggnhm MidCap Core	CZA	EMC	0.92
Vngrd MidCap Val	VO	EMC	0.90
Wtree Ttl Earn	EXT	ELC	0.90

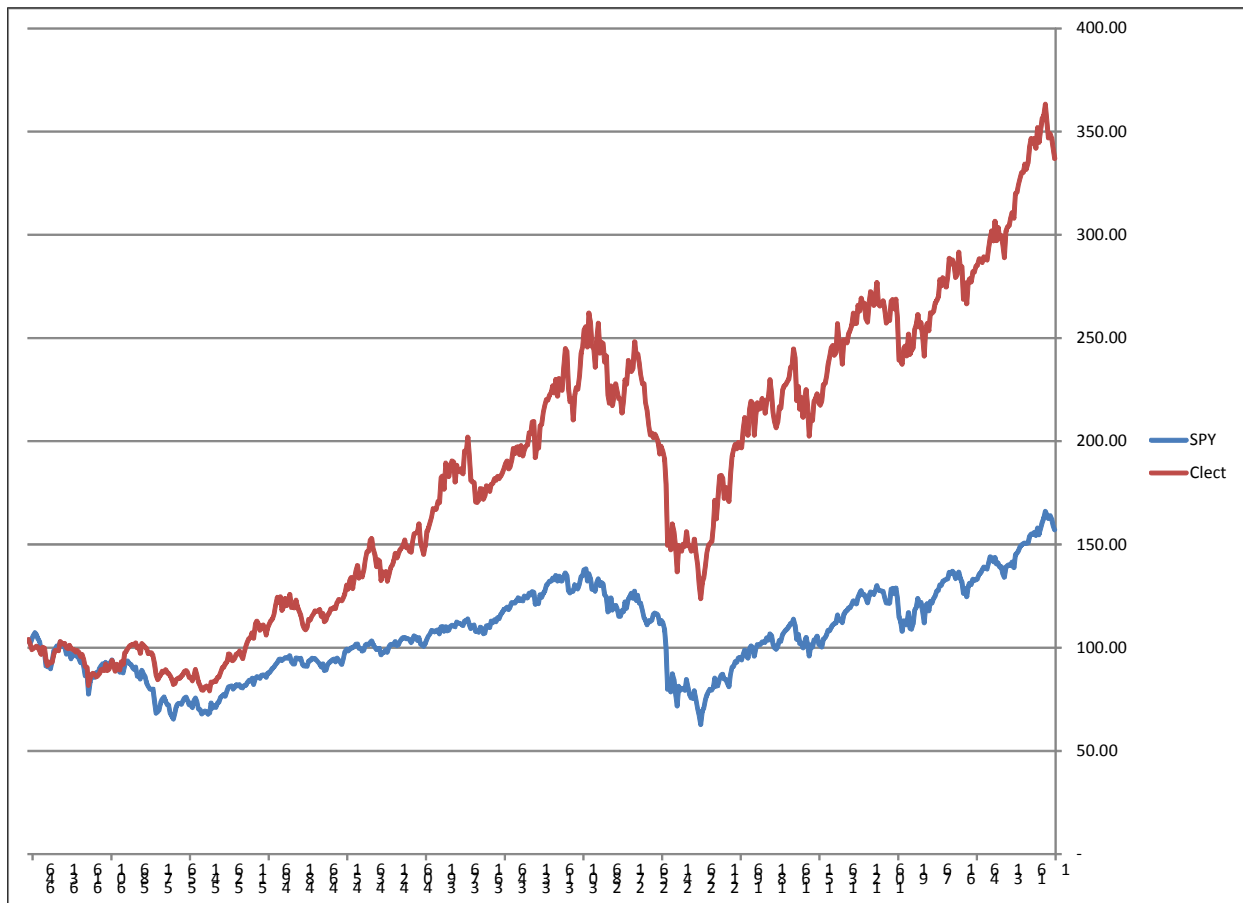
ETF Rankings by C to previous week's end

Vngrd TTL Intrntl Stk	VXUS	EW	0.84
iShares Russell 1000 Value Indx	IWD	ELC	0.76
Vngrd TTL Stock	VTI	ELC	0.73
Wtree Gbl Eqty Incm	DEW	EW	0.72
iShares Core S&P Mid Cap	IJH	EMC	0.70
Market Vectors Semiconductor	SMH	EA	0.68
PS Dyn Mrkt	PWC	ELC	0.64
SPDR Mid Cap Trust	MDY	EMC	0.59
Select SPDR Enrgy	XLE	EA	0.51
Vngrd Grth	VUG	ELC	0.48
Wtree S&P 500	EPS	ELC	0.47
PS DB Energy	DBE	EA	0.42
Vngrd Large Cap	VV	ELC	0.38
PS BLDR Asia 50 ADR	ADRA	EW	0.36
iShares Russell 1000 Grwth Indx	IWF	ELC	0.33
PS Dynmc Basic Matrl	PYZ	EA	0.33
Guggnhm BRIC	EEB	EW	0.30
SPDR S&P 500	SPY	ELC	0.26
iShares Core S&P 500	IVV	ELC	0.25
Wtree MidCap Div	DON	EMC	0.23
PS Dynmc Lrg Cap Value	PWV	ELC	0.15
Wtree Middle East Div	GULF	EW	0.13
PS DWA Tech Ldr	PDP	ELC	0.12
iShares Hong Kong Indx	EWK	EW	0.06
iShares Russel MidVal	IWS	EMC	0.02
iShares S&P 100 Indx	OEF	ELC	0.02
Guggnhm Intrntl A Incm	HGI	EW	0.00
PS FTSE RAFI Asia Pac xJpn	PAF	EW	(0.00)
Alerian MLP	AMPLP	EGI	(0.11)
PS Gbl Listd Prvt Eqty	PSP	EW	(0.12)
PS DB Commodity	DBC	EA	(0.15)
Guggnhm Gbl Wtr	CGW	EW	(0.18)
iShares Canada	EWC	EW	(0.18)
PS Water Resources	PHO	EA	(0.24)
SPDR DJ Industrials	DIA	ELC	(0.24)
Select SPDR Technlgy	XLK	EA	(0.27)
PS WilderHill Prgsv Enrgy	PUW	EA	(0.28)
Vngrd Div Apprctn	VIG	EGI	(0.30)
iShares DJ Slct Div	DVY	EGI	(0.36)
Wtree Japan SC Div	DFJ	EWR	(0.46)
PS Lux Nanotech	PXN	EA	(0.54)
iShares Japan	EWJ	EW	(0.57)
Wtree LrgCap Div	DLN	ELC	(0.62)
iShares Taiwan Indx	EWT	EW	(0.64)
PS MENA Frntr Countries	PMNA	EW	(0.74)
iShares Pacific ex Jpn	EPP	EW	(0.76)
Wtree Div Ex Fincl	DTN	ELC	(0.76)
Wtree Intrntl Utilities	DBU	EW	(0.80)
Select SPDR Div	SDY	EGI	(0.82)
PS S&P 500 BuyWrite	PBP	ELC	(0.88)
PS Dynmc Energy	PXI	EA	(0.90)
PS Dividend Achievers	PFM	EGI	(0.90)
PS Dynmc Utilities	PUI	EA	(0.91)
Guggnhm Candn Enrg Incm	ENY	EWR	(1.01)
PS Intrntl Dvdnd	PID	EW	(1.03)

ETF Rankings by C to previous week's end

PS DB Base Metals	DBB	EG	(1.10)
Vngrd Consmr Stpls	VDC	EA	(1.17)
Guggnhm Dfnsv Eqty	DEF	EV	(1.20)
Wtree Eqty Income	DHS	EGI	(1.23)
PS DB Agriculture	DBA	EA	(1.27)
Guggnhm Multi Ast In	CVY	EV	(1.30)
PS S&P 500 LowVolatility Portfolio	SPLV	ELC	(1.34)
Select SPDR Cnsmr Stpl	XLP	EA	(1.48)
iShares Australia	EWA	EW	(1.49)
Wtree Emrg Mrkt Eincm	DEM	EW	(1.63)
iShares Prfrd	PFF	EGI	(1.76)
Guggnhm Glbl Div	LVL	EW	(1.79)
PS Fincl Pfd	PGF	EGI	(1.81)
PS S&P SmlCap Utilties	PSCU	EA	(1.88)
Pro Shares Short S&P 500	SH	EC	(1.96)
iShares Emrg Mrkt Stk	EEM	EW	(2.02)
PS Dynmc Energy Explor	PXE	EA	(2.15)
PS Dynmc Bldg Cnstrctn	PKB	EA	(2.25)
SPDR S&P Metals & Mining	XME	EA	(2.25)
Wtree World Ex US Grth	DNL	EW	(2.42)
Vngrd Utilities	VPU	EA	(2.44)
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	(2.60)
Select SPDR Utilities	XLU	EA	(2.67)
iShares Malaysia Indx	EWM	EW	(2.72)
Vngrd Emrg Mrkt	VWO	EW	(2.93)
Guggnhm China REIT	TAO	EWR	(2.95)
Wtree Japan Hedge Eqty	DXJ	EC	(3.06)
PS FTSE RAFI Emrg Mrkt	PXH	EW	(3.11)
iShares Singapore	EWS	EW	(3.18)
PS Emrg Mrkt Infrastrctr	PXR	EW	(3.71)
Wtree Emrg Mrkt SC Div	DGS	EW	(3.87)
Wtree Intrntl REIT	DRW	ERE	(4.02)
Guggnhm Frntr	FRN	EW	(4.03)
PS Glbl Agriculture	PAGG	EA	(4.07)
SPDR S&P Homebuilders	XHB	EA	(4.12)
Pro Shares Short Russell 2000	RWM	ESC	(4.46)
iShares Gold	IAU	EG	(4.63)
SPDR Gold	GLD	EG	(4.64)
PS DB Gold	DGL	EG	(5.04)
PS DB Precious Metals	DBP	EG	(5.06)
Vngrd REIT	VNQ	ERE	(5.77)
iShares Mexico	EWX	EW	(5.82)
SPDR Wlsh REIT	RWR	ERE	(5.88)
iShares Latin Amr	ILF	EW	(5.96)
iShares Cohen&Str REIT	ICF	ERE	(6.16)
iShares REIT	IYR	ERE	(6.35)
iShares Silver	SLV	EG	(6.38)
PS US REIT	PSR	ERE	(6.50)
iShares Brazil Indx	EWZ	EW	(7.18)
PS DB Silver	DBS	EG	(7.20)
PS DWA Emrg Mrkt T Ldrs	PIE	EW	(7.25)
PS India	PIN	EW	(8.65)
iShares DJ US Home Constr.	ITB	EA	(10.16)
Wtree India	EPI	EWR	(10.35)
PS Glbl Gold Precious Mtls	PSAU	EG	(11.88)
US Natural Gas	UNG	EA	(13.62)
Market Vectors Gold Minors	GDX	EG	(15.66)
Market Vectors Junior Gold Miners	GDXJ	EG	(24.21)
iPath S&P 500 VIX Shrt Trm	VXX	EC	(28.75)

C-lect 5 (reiteration)



The new selecting and timing model is completed under the name of C-lect 5.

The chart above shows only the C-lect 5 without any market timing. The point with this is to show that staying with the leading ETFs is a winning strategy over time, even without employing market timing.

With market timing, the huge bear market downdrafts should be avoided.

Overflow from Page 1, Definitions, and Newsletter Updates

(Continued from page 1) **REVIEW**

fed up enough with them to not vote for any incumbent whatsoever under any circumstance. They may as well test that assumption while they're at it. Let's hope though that our elected officials don't go that far.

To be sure, the market is somewhat nervous about these things, but again, seems to be assuming an "all's well that end's well" mentality.

For our part, the stock timing model does remain bullish. The major trends remain up. There are no negative divergences between various indexes to speak of

to set off warning bells.

Sentiment, however, remains too bullish, but other than that, there are really no negatives.

Taper talk has tapered off, perhaps partly because of Washington's politics, but primarily because the Fed is still cautious about job growth, which remains muted.

Inflation is not a concern yet. It is coming in around 2%, which is well within the Fed's expectations.

The end result of all these things is that the Growth Portfolio remains invested. It jumped in the latest week, even though

the Indexes were flat, due to the new C-lect 5 holdings. This is shown on page one.

It is interesting to see those 5 new C-lect positions near or at new highs, while the rest of the market has pulled back some 5%.

The sell stop level to protect gains is roughly 8% away from current prices. This comment is for a "heads up" only, but if it gets closer, we will notify you by newsletter and email.

Please see the individual portfolio pages for any updates and 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.

Portfolio stops for the World Growth Model are internally maintained because they are based on the WGIndex, not the individual ETFs. They will be emailed when close or if triggered.

10/7 Just to clarify what was said last week, the ETF rankings in this newsletter are now based on their weekly C. Previously they were based on monthly numbers. On my NLMFS&T Newsletter, fund (and ETF) rankings are still determined by monthly data (no changes planned there). This means that the two C numbers between the two newsletters will not match. The C selection rankings should be somewhat close, but will not be identical. The process of determining C, however, is the same with both. C is the risk-adjusted relative strength number. The higher the number, the better.

I still plan to introduce a portfolio based on shorting the weakest ETFs based on the weakest C, if the back testing shows good results. The weak C ETFs are shown in red on page 10.

9/30 The weekly ranking of equity ETFs is shown on pages 7 through 10. Previous rankings were based on monthly data.

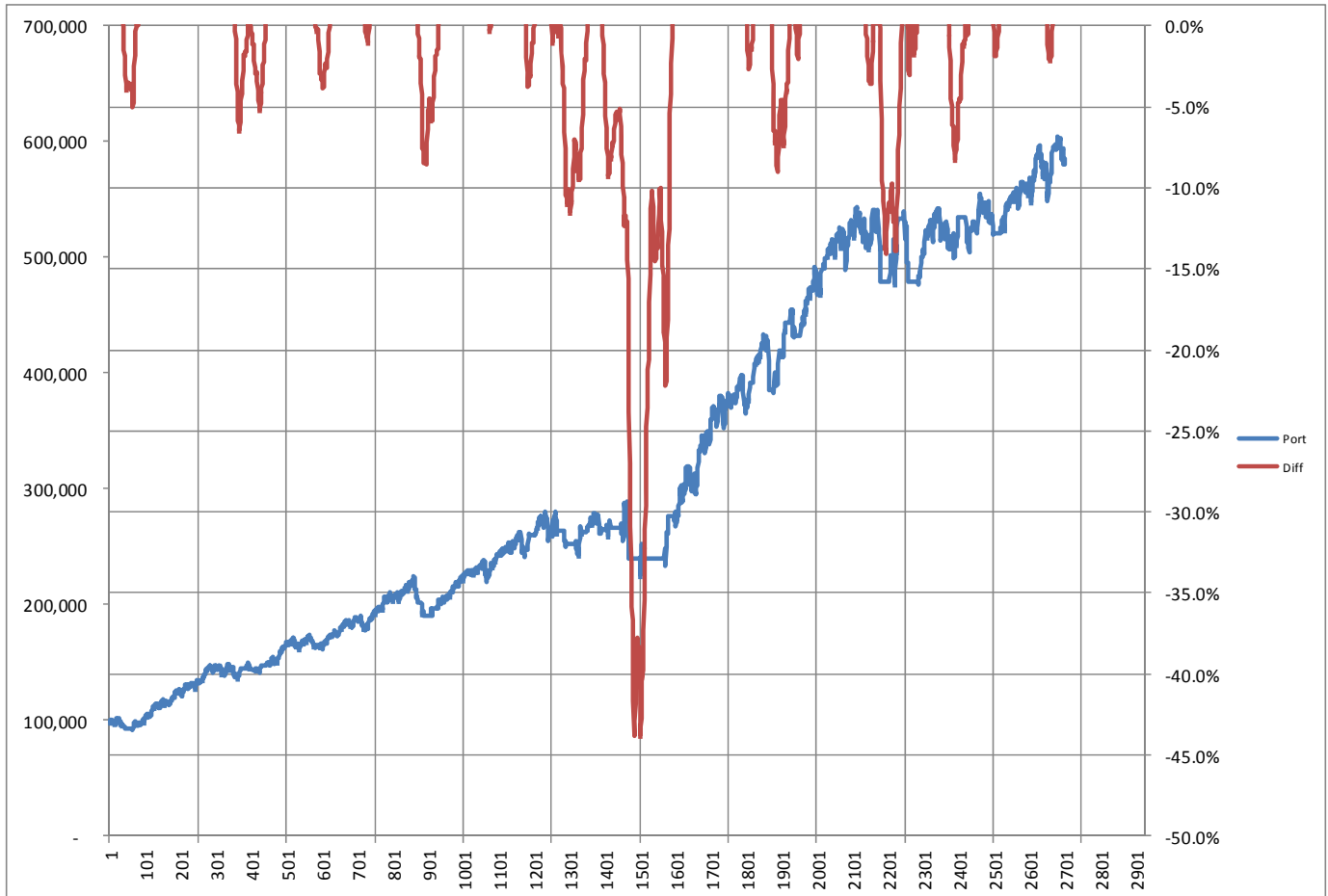
9/23 The new C-lect 5 Model is under way today. It combines ETF selecting and timing.

9/16 I had hoped to introduce the new C-lecting model this week, but it looks like it will be next week.

9/9 The monthly database rankings have been postponed, pending the switch to the new weekly ranking C-lect.

9/3 No changes.

Windows (reiteration)



The chart shows the windows for potential buying opportunities after an initial timing model buy. “Port” is the World Growth Model (blue line). “Diff” is the difference between the Model and the potential timing model sell (red line). The “x” axis shows data points, rather than dates, but it is from 9/3/2002 through the present. The potential window to buy is when the red line drops below 0%, although this is somewhat fluid.

The potential sell stop or sell signal (two different signals) is dynamic and will rise if the market is rising. There are times when the difference (red line) widens too far away from the stop levels (above 4%), which means the potential for loss to get to the sell signal is too large. In other words, there are times when the market is overextended to the upside. It is ultimately more profitable to wait for a pullback to buy new positions or add to existing positions, rather than chase the market. The exception to this is when the market turns from a cyclical bear to bull. The new bull is very hard to buy (there are no pullbacks) and fear is still rampant.

So, for example, the most recent initial timing model buy last happened on 12/10/12. There has not been a sell since then. No sell means there has not been a subsequent buy signal. What does this mean for new subscribers since then? No buy signal. So, without a window to buy, still on the sidelines. With the window, however, there have been subsequent times to buy since the initial timing model buy. The last “open window” to buy was in late June/early July.

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. On 9/23/13, the new C-lect 5 is also part of this portfolio. It too uses timing.

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 and again on 9/23/13 to incorporate the C-lect 5 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 (or Tuesday) 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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