

# ETF Selections & Timing

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## The More Things Change, The More They Stay The Same

Time Magazine may have declared 2011's Person of the Year "The Protestor", but by all indications 2011 will go down as the year of The Muddler. The domestic economy has muddled through 2011. The European Union has muddled through. Stocks have mud-

dled through. Politicians have muddled along. The Fed has muddled along. The consumer has muddled along. Commodities have muddled through. Nothing is too hot and nothing is too cold. If you ended 2011 where you began, consider yourself a Person of the Year.

So, what might 2012 bring? Probably more of the same.

The Federal Reserve has already signaled its willingness to leave interest rates at rock bottom levels through the middle of 2013. Sometimes mud-

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



The chart is the DAILY S&P 500 with 200-day simple moving average and showing possible buy signals.

### SCOREBOARD

Model	YTD	52-week	26-week	13-week	4-week	1-week
ETF Income Portfolio	3.3%	3.6%	0.8	0.4	1.1	1.0%
ETF Growth Portfolio	6.9%	7.1%	3.2	-1.5	1.0	-0.3%
Aggrgt Bond (AGG)	4.1%	4.4%	2.4	0.2	0.4	0.6%
Wilshire 5000	-2.4%	-1.3%	-4.0	0.5	0.3	-2.9%

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# Income Portfolio

ACTION FOR			PORTFOLIO DETAILS				Value as of date: 12/16/2011							
Action Date	Action	Symbol	Action Price	# of Shares	Action Value	Symbol	Closing Stop as of 12/5	Description	Start Price	End Price	# of Shares	Current Value	Percent of Total	
29-Aug	buy	PHB	17.88	1,400.0	25,042	AGG	108.40	total bond	109.37	110.05	692.1	76,164.17	70.3%	
6-Sep	buy	BWX	62.00	190.0	11,790	LQD	110.00	corp bond	111.69	113.01	251.8	28,459.08	26.3%	
19-Sep	sell	BWX	61.20	190.0	11,618									
30-Sep	sell	PHB	17.55	1,400.0	24,560									
3-Oct	buy	AGG	110.34	250.0	27,595									
6-Oct	sell	AGG	109.45	752.5	82,351									
17-Oct	buy	AGG	109.37	687.0	75,147									
21-Nov	buy	LQD	111.69	250.0	27,933									
						Money Market					1.00	3,711	3,711.00	3.4%
								Total Valuation=				108,334.26	100.0%	

## WEEKLY REVIEW

12/16 No changes.

12/12 No changes. The likelihood of a European recession has increased with its new austerity package. This will mute our domestic economy strength in the short-term. Bonds should benefit.

11/28 No changes.

11/21 Buy LQD (Investment Grade Corporate Bonds) as noted above. This will bring the Income Portfolio to near fully invested. Please also note the sell stops.

11/14 No changes. Still 70% in and 30% cash.

	2010	ytd 2011	Incptn	SD
ETF Income Portfolio	4.8%	3.3	8.3	2.7
Aggregate Bond	2.5%	4.1	6.6	1.9

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

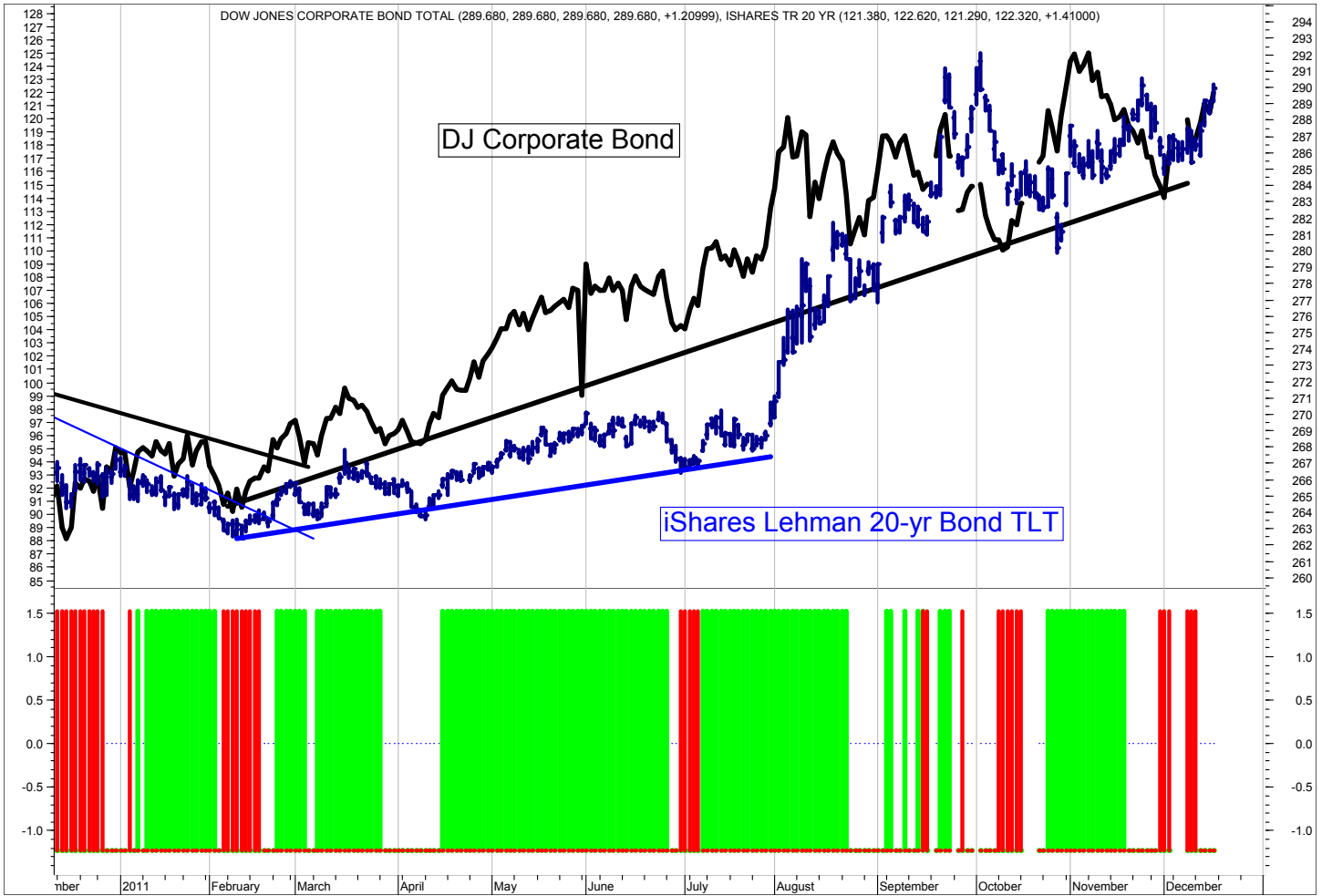
# ETF Income Database and Ranking to 11/30/11

Fund Name	Symbol	Style	Hybrid						NAV	Rank	
			Equity	12m	9m	6m	3m	1m			V
iShares 20+ yr Trsry	TLT	B	B	19.78	27.58	21.92	10.14	1.73	3.88	117.88	*****
PS 1-30 Ldr Trsry	PLW	B	B	10.65	15.64	11.59	4.15	1.11	2.27	31.87	*****
iShares 10-20yr Trsry	TLH	B	B	10.57	16.08	11.90	3.35	0.91	2.30	130.38	****
iShares 3-7yr Trsry	IEI	B	B	3.42	5.90	3.37	0.12	0.10	0.86	121.43	*****
iShares 7-10yr Trsry	IEF	B	B	6.40	11.28	7.57	0.87	0.38	1.48	103.90	****
iShares Trsry Inflt	TIP	B	B	6.63	7.94	5.30	2.12	0.21	1.07	116.74	****
PS Bld America	BAB	B	B	11.74	12.61	6.85	3.86	0.58	2.08	28.46	****
Wtree Dryfs Jpn Yen	JYF	B	B	7.87	5.70	5.87	-1.55	-0.15	1.69	33.57	****
Currency Euro	FXE	B	B	3.52	-2.60	-6.65	-6.48	-2.92	3.16	133.85	**
iShares Agg Bond	AGG	B	B	1.87	3.53	1.79	-0.11	-0.59	0.69	109.38	**
iShares High Yld	HYG	B	B	-2.69	-6.38	-6.28	-1.62	-3.00	2.23	86.60	***
iShares Inter Bond	MBB	B	B	-1.39	2.31	0.69	-0.61	-0.14	0.64	107.80	***
iShares Inter Gov	GVI	B	B	0.87	2.31	0.92	-0.71	-0.65	0.56	110.51	***
iShares Intrntl Tbond	IGOV	B	B	-0.27	-4.12	-6.47	-9.40	-5.08	2.42	99.61	***
iShares Long Corp Bond	LQD	B	B	0.52	1.35	-0.67	-1.46	-3.50	1.18	110.69	**
PS DB Dollar Bearish	UDN	B	B	4.34	-1.37	-4.39	-5.19	-2.46	2.51	27.41	***
PS DB Dollar Bullish	UUP	B	B	-6.13	-0.14	3.38	4.70	2.27	2.58	22.06	***
PS DB G10 Currency	DBV	B	B	3.56	0.04	-3.59	-1.65	-2.13	2.32	23.87	***
PS Emrg Mrkt Svrgn Debt	PCY	B	B	0.26	2.82	-0.85	-3.16	-1.79	1.94	26.94	***
PS Fdmntl Hi Yield Corp	PHB	B	B	-0.72	-3.29	-4.01	-0.11	-1.64	1.45	17.95	***
PS Insrđ CA Muni	PWZ	B	B	1.93	6.47	3.21	0.85	-0.09	1.58	23.80	***
PS Insrđ Natl Muni	PZA	B	B	2.18	6.02	2.88	0.38	-0.17	1.55	23.95	***
PS Insrđ NY Muni	PZT	B	B	2.00	5.76	3.35	0.73	-0.13	1.35	23.45	***
SPDR Intrntl TBond	BWX	B	B	3.66	-0.32	-4.46	-6.32	-3.22	2.36	59.14	***
Vngrđ Intrmđt Bond	BND	B	B	1.77	3.75	2.04	-0.05	-0.31	0.67	83.36	**
Wtree Dryfs Brazil Real	BZF	B	B	-9.89	-3.68	-9.95	-10.69	-3.90	3.74	25.89	**
Wtree Dryfs Chns Yuan	CYB	B	B	1.55	0.95	0.51	-0.81	-0.04	0.90	25.61	**
Wtree Dryfs Emrg Crrncy	CEW	B	B	-6.63	-5.72	-8.89	-7.78	-2.94	2.56	21.11	**
Wtree Dryfs Euro	EU	B	B	-3.76	-9.57	-13.37	-13.34	-9.79	3.53	20.22	**
Wtree Dryfs N Zlnd Dollar	BNZ	B	B	0.34	-0.85	0.56	-8.00	-10.93	3.66	23.46	**
Wtree Emrg Mrkt Lcl Debt	ELD	B	B	-3.60	-3.31	-7.71	-8.43	-3.12	2.91	49.30	***
iShares 1-3yr Trsry	SHY	B	B	0.34	0.74	0.20	-0.20	-0.01	0.19	84.54	**
PS Low Duration	PLK	B	B	-0.12	0.36	0.00	-0.12	-0.17	0.34	25.40	**
PS Prfd	PGX	B	B	-4.14	-3.67	-5.40	-3.12	-2.43	1.19	13.66	**
Vngrđ ShrđTrm Bond	BSV	B	B	-0.32	1.02	0.13	-0.65	-0.28	0.43	81.25	**
Wtree Dryfs Indn Rupee	ICN	B	B	-7.88	-9.82	-11.58	-10.63	-5.82	2.79	23.97	**
Wtree Dryfs S Africa Rand	SZR	B	B	-21.18	-13.58	-16.44	-15.36	-5.41	4.15	24.21	**
PS VRDO Tax Free Wkly	PVI	B	B	0.04	0.04	0.04	-0.04	0.00	0.02	25.00	*
Wtree Dryfs Comđty Cur	CCX	B	B	2.92	-2.69	-7.08	-7.61	-2.80	NA	25.73	*

ETF data on pages 3, 7, 8, and 9 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

12/19 Still bullish on bonds. The Bond Timing Model is designed to follow trends, hence it hasn't yet switched from bearish to bullish. I am, however, still bullish.

12/12 Still bullish on bonds.

12/5 Even though the Bond Timing Model shifted to bearish based on trends, I am still on a bullish buy.

11/28 Still on a buy corporate bond signal.

11/21 Corporate bonds have come down into a buy zone. See the Portfolio page for a buy signal.

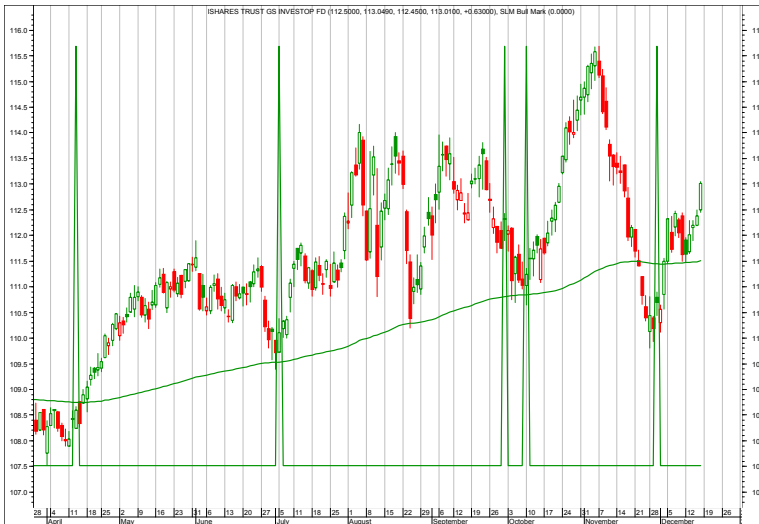
11/14 Still more whipsaws as investors trade the news out of Europe. But our economy continues to muddle along, confirming the long-term trend down in interest rates.

# Income Charts



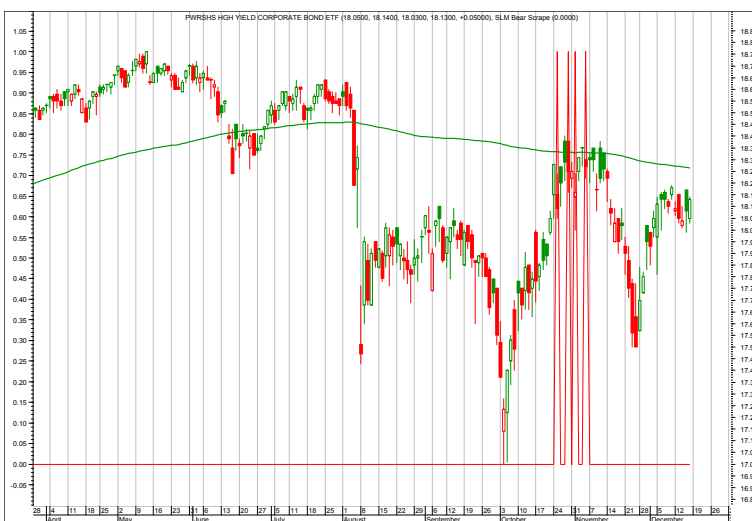
## AGG—Aggregate Bond Market

12/19 No change.  
 12/12 No change.  
 12/5 No change, but the uptrend was broken.  
 11/28 No change.  
 11/21 No change.  
 11/14 No change.  
 11/4 No changes.  
 10/31 Bouncing off support. (See also page 12 for more information.)  
 10/24 Around good support.  
 10/3 Time to nibble with close stops.  
 9/26 Was the Treasury Bond market parabolic? It looks like it. Monitor the trends.  
 9/16 At support.



## LQD—Corporate Bonds

12/19 Still bullish.  
 12/12 No change.  
 12/5 So far so good.  
 11/28 Still a good buying opportunity.  
 11/21 LQD has sharply corrected to a good entry area. See the Portfolio.



## PHB—High Yield

12/19 Given that high yield corporate bonds have rolled over below their 200-day simple moving average, I am showing the sell signals from the preliminary work on the newish timing model being worked on.

Each chart shows daily prices (top portion), volume (bottom portion), a moving average (smoothed red line on price portion, a relative strength indicator between the ETF and AGG (Aggregated bond ETF) (orange line), and red spikes. The spikes show potential places to buy and sell short. If the moving average is trending down, the spike shows a potential sell shorts. If the moving average is trending up, the spike shows potential buys. The charts do not show selling or covering signals.

# Growth Portfolio

ACTION FOR		PORTFOLIO DETAILS					Value as of date:		12/16/2011		
Action Date	Action Symbol	Action Price	# of Shares	Action Value	Closing Stop as of 12/5	Description	Start Price	Ending Price	# of Shares	Current Value	Percent of Total
3-Oct	short	EWP	30.94	(100)	(3,104)	LONG ETFs-					
3-Oct	sell	QQQ	51.14	220	11,241						0.0%
10-Oct	cover	EWP	34.75	100	3,485						
28-Nov	buy	QQQ	54.72	1,000	54,730						
5-Dec	buy	DGL	60.10	100	6,020						
8-Dec	sell	QQQ	56.33	1,000	56,320	SHORT ETFs-					
13-Dec	sell	DGL	56.19	100	5,609						
Cash from short Money Market							1.00			-	0.0%
							1.00	115,531	115,531.00	100.0%	
Total Valuation=									115,531.00	100.0%	

## WEEKLY REVIEW

12/19 Portfolio is all in cash. Stopped out of the gold position last week.

12/12 Sold QQQ last week, taking profits. Still holding DGL, but may get stopped out today at close. Apparently investors are selling gold to scramble for dollars.

12/5 We're in the bounce mentioned last week. Will watch for resistance. Please watch for possible emails this week for updates.

11/28 I will buy for the bounce back into resistance.

11/21 No change. Still in cash, waiting for a pullback.

11/14 No change.

	2010	ytd 2011	Incptn	SD
ETF Growth Portfolio	8.1%	6.9	15.5	5.4
Wilshire 5000 TR	17.7%	-2.4	14.9	9.6

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 11/30/11 (month end)

Fund Name	Symbol	Style	Hybrid Equity Bond	12m	9m	6m	3m	1m	V	NAV	Rank
Guggnhm Dfnsv Eqty	DEF	EV	E	10.92	3.88	-1.23	3.24	-0.29	2.32	26.53	*****
iShares Gold	IAU	EG	E	25.81	23.71	13.81	-4.26	1.73	5.32	17.06	*****
PS DB Gold	DGL	EG	E	24.48	22.78	13.28	-4.45	1.50	5.23	61.01	*****
PS Dynmc Pharma	PJP	EA	E	21.90	17.02	0.44	5.59	2.33	4.15	27.22	*****
Select SPDR Cnsmr Stpl	XLP	EA	E	12.64	7.34	-1.27	3.27	2.77	2.84	31.90	*****
Select SPDR Utilities	XLU	EA	E	14.47	9.65	3.96	3.89	1.03	1.80	35.21	*****
SPDR Gold	GLD	EG	E	25.63	23.59	13.69	-4.27	1.67	5.30	170.13	*****
Vngrd Cnsmr Stpls	VDC	EA	E	12.61	9.44	-0.55	2.94	2.03	2.65	81.27	*****
Vngrd Utilities	VPU	ELC	E	14.30	8.58	3.06	3.63	1.07	1.82	75.09	*****
Wtree Eqty Income	DHS	EGI	E	11.43	3.55	-2.16	3.63	1.24	2.80	41.71	*****
Guggnhm Spin Off	CSD	EMC	E	7.19	-2.24	-6.74	4.01	1.22	4.02	23.11	****
iShares DJ Slct Div	DVY	EGI	E	10.62	2.81	-2.37	3.67	1.38	2.86	52.83	****
PS Buyback Achievers	PKW	EGI	E	12.47	1.27	-3.81	6.57	1.04	3.83	26.24	****
PS DB Energy	DBE	EA	E	14.90	-5.27	-8.10	-2.91	1.47	5.47	28.38	****
PS DB Oil	DBO	EA	E	11.46	-4.37	-6.58	9.33	8.92	6.60	28.70	****
PS DB Precious Metals	DBP	EG	E	22.67	16.80	6.47	-8.18	0.59	7.27	61.19	****
PS Dividend Achievers	PFM	EGI	E	9.18	0.82	-2.90	3.80	1.30	2.95	14.75	****
PS Dynmc Cnsmr Staples	PSL	EA	E	8.77	4.18	-5.49	0.57	-1.68	3.39	30.39	****
PS Dynmc Lrg Cap Value	PWV	ELC	E	7.12	-3.44	-6.74	4.24	0.26	3.55	18.95	****
PS Dynmc Retail	PMR	EA	E	9.88	6.08	-1.57	7.39	-1.02	4.66	21.28	****
PS Hi Yld Eqty Div	PEY	EGI	E	6.38	1.58	0.00	6.63	1.24	2.71	9.01	****
PS Mega Cap	PMA	ELC	E	8.37	-2.81	-4.92	2.37	-2.12	3.63	25.90	****
PS S&P 500 BuyWrite	PBP	ELC	E	-2.96	-1.37	-2.96	7.38	2.10	2.56	20.95	****
PS S&P 500 High Qlty	PIV	ELC	E	8.55	-0.29	-4.52	4.49	0.72	3.49	13.96	****
PS S&P SmlCap Cnsmr Stpl	PSCC	EA	E	9.43	3.29	-7.21	-0.52	-0.61	3.66	30.74	****
PS S&P SmlCap Energy	PSCE	EA	E	14.66	-11.10	-11.40	5.48	3.75	9.79	34.83	****
PS S&P SmlCap Hlth Care	PSCH	EA	E	21.93	5.80	-8.94	5.76	3.19	5.43	31.38	****
PS S&P SmlCap Utilities	PSCU	EA	E	8.76	5.36	-1.63	0.50	-0.40	2.69	30.06	****
Select SPDR Cnsmr Disc	XLY	EA	E	7.16	-1.70	-4.20	3.11	-0.72	4.06	38.74	****
Select SPDR Div	SDY	EGI	E	6.22	-0.35	-2.82	3.82	1.30	2.90	53.80	****
Select SPDR Health	XLV	EA	E	11.93	3.71	-6.18	1.44	0.95	3.40	33.88	****
Select SPDR Technlgy	XLK	EA	E	6.97	-3.54	-3.17	4.83	-1.50	3.90	25.62	****
SPDR DJ Industrials	DIA	ELC	E	9.10	-1.60	-4.23	3.66	0.71	3.55	120.19	****
SPDR NASDAQ 100	QQQ_O	ELC	E	8.27	-2.39	-3.38	2.42	-2.69	4.09	56.39	****
Vngrd Cnsmr Dis	VCR	EA	E	6.19	-1.76	-5.19	3.00	-1.40	4.36	62.11	****
Vngrd Div Apprctn	VIG	EGI	E	8.34	-1.38	-4.02	4.05	1.87	3.46	54.44	****
Vngrd Grth	VUG	ELC	E	6.70	-3.11	-5.33	2.84	-0.21	3.85	62.30	****
Vngrd Health	VHT	EA	E	11.71	3.40	-6.86	1.80	0.93	3.54	60.66	****
Vngrd Tech	VGT	EA	E	6.59	-4.64	-3.89	5.51	-1.99	4.38	62.46	****
Wtree Div Ex Fincl	DTN	ELC	E	11.42	2.69	-2.89	4.03	1.37	3.04	51.14	****
Wtree LrgCap Div	DLN	ELC	E	9.88	-0.48	-3.90	3.62	1.05	3.13	48.06	****

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

Fund Name	Symbol	Style	Hybrid Equity Bond	12m	9m	6m	3m	1m	V	NAV	Rank
Guggnhm BRIC	EEB	EW	E	-14.36	-16.67	-17.49	-7.99	-3.98	5.39	37.88	***
Guggnhm Candn Enrg Incm	ENY	EWR	E	-9.88	-29.06	-24.30	-8.79	-1.59	7.52	16.70	***
Guggnhm China All	YAO	EWR	E	-16.61	-14.03	-19.90	-7.86	-1.22	5.89	23.10	***
Guggnhm Euro-Pac	EEN	EW	E	-10.12	-13.39	-19.16	-8.23	15.92	5.63	17.40	***
Guggnhm Gbl Div	LVL	EW	E	-1.66	-12.28	-15.48	-4.75	-1.35	5.12	13.65	***
Guggnhm Gbl Wtr	CGW	EW	E	0.62	-6.10	-11.62	-2.20	-0.71	3.96	19.55	***
Guggnhm Inscr Sent	NFO	EMC	E	3.01	-7.26	-12.90	-0.35	-1.71	5.34	31.53	***
Guggnhm Intrntl A Incm	HGI	EW	E	-9.82	-16.45	-17.43	-6.35	-2.13	4.95	16.53	***
Guggnhm MidCap Core	CZA	EMC	E	5.83	-4.38	-8.89	2.28	-0.47	4.27	29.22	***
Guggnhm Multi Ast In	CVY	EV	E	3.83	-4.47	-7.71	-0.54	-0.83	3.18	20.31	***
Guggnhm Ocn Grth	OTR	ELC	E	5.59	-3.28	-6.57	-2.01	-3.31	3.57	28.32	***
Guggnhm Ocn Tomo	OTP	ELC	E	0.89	-10.86	-11.69	0.90	-2.47	4.45	24.40	***
Guggnhm RJ All	RYJ	ELC	E	4.85	-10.01	-12.15	1.96	-1.89	5.67	20.31	***
Guggnhm Sctr Rotn	XRO	ELC	E	-4.47	-10.67	-14.47	-1.08	-1.63	5.03	23.12	***
iShares China	FXI	EW	E	-16.43	-14.67	-20.17	-6.24	0.44	5.31	36.22	***
iShares Cohen&Str REIT	ICF	ERE	E	7.14	-5.58	-10.51	-3.15	-4.00	4.99	67.67	***
iShares EAFE Indx	EFA	EW	E	-5.57	-16.75	-17.43	-4.35	-2.18	5.24	51.24	***
iShares Emrg Mrkt Stk	EEM	EW	E	-10.65	-12.62	-17.56	-6.41	-1.97	5.89	40.01	***
iShares Europe 350	IEV	EW	E	-4.56	-17.86	-20.80	-4.01	-3.07	6.55	34.72	***
iShares Latin Amr	ILF	EW	E	-14.65	-16.47	-16.72	-7.35	-4.11	5.63	43.62	***
iShares Mexico	EWX	EW	E	-6.89	-9.96	-11.75	-6.38	-0.45	4.89	55.03	***
iShares REIT	IYR	ERE	E	1.95	-8.98	-12.20	-3.64	-3.67	4.43	55.14	***
iShares Russel 2000	IWM	ESC	E	1.35	-10.38	-13.10	1.49	-0.38	5.46	73.73	***
iShares Russel MidVal	IWS	EV	E	2.42	-9.40	-11.97	1.15	-0.60	4.37	43.16	***
iShares Silver	SLV	EG	E	16.62	-3.35	-14.89	-20.89	-4.31	14.36	32.00	***
iShares Sltc Div	IDV	ELC	E	-2.48	-14.05	-16.85	-5.91	-3.22	5.54	30.70	***
iShares Spain	EWP	EW	E	-4.86	-21.78	-23.92	-8.46	-6.67	7.61	32.89	***
PS Aerospace & Def	PPA	EA	E	1.15	-9.75	-10.78	2.56	-0.44	4.26	18.05	***
PS BLDR Dvlpd Mrkt 100 ADR	ADRD	EW	E	-4.10	-17.01	-15.95	-3.17	-2.98	5.50	19.18	***
PS BLDR Emrg Mkt 50 ADR	ADRE	EW	E	-11.38	-14.82	-15.25	-5.90	-2.45	4.98	39.89	***
PS BLDR Europe 100 ADR	ADRU	EW	E	-5.24	-8.55	-15.50	-6.79	14.30	5.96	19.90	***
PS Cleantech	PZD	EA	E	-7.13	-19.35	-22.84	-8.62	-2.22	5.82	22.47	***
PS DB Agriculture	DBA	EA	E	-0.34	-17.10	-11.43	-15.01	-4.67	4.81	28.99	***
PS DB Base Metals	DBB	EG	E	-6.99	-21.22	-16.79	-14.03	-0.65	5.59	19.97	***
PS DB Commodity	DBC	EA	E	10.25	-7.00	-8.63	-8.36	-0.29	5.02	27.64	***
PS DB Silver	DBS	EG	E	15.52	-3.32	-15.06	-21.16	-4.15	14.50	57.39	***
PS DWA Dvlpd Mrkt T Ldrs	PIZ	ELC	E	-10.51	-18.16	-21.25	-8.59	-1.98	5.87	18.30	***
PS DWA Emrg Mrkt T Ldrs	PIE	EW	E	-6.16	-4.81	-12.46	-9.17	0.98	6.15	16.44	***
PS DWA Tech Ldr	PDP	ELC	E	6.93	-3.16	-8.12	-0.37	0.46	4.23	24.21	***
PS Dyn Dvlp Intrnl Opp	PFA	EW	E	-8.02	-19.85	-20.98	-8.74	-3.38	5.41	15.14	***
PS Dyn MagniQuant	PIQ	ELC	E	-0.30	-9.44	-12.60	-0.85	-2.75	5.34	23.30	***
PS Dyn Mrkt	PWC	ELC	E	-4.37	-13.46	-15.49	-1.73	-3.14	4.86	40.44	***
PS Dyn OTC	PWO	ESC	E	-5.47	-13.63	-16.80	-2.05	-5.23	5.02	44.41	***
PS Dynmc Banking	PJB	EA	E	-5.39	-14.89	-11.18	7.07	0.72	4.53	11.20	***
PS Dynmc Basic Matrl	PYZ	EA	E	-3.93	-13.26	-18.78	-5.05	-1.19	6.18	32.50	***
PS Dynmc Biotech	PBE	EA	E	-2.84	-7.18	-16.03	-1.16	-3.89	5.01	19.53	***
PS Dynmc Bldg Cnstrctn	PKB	EA	E	-6.05	-15.47	-14.97	2.11	-1.10	5.44	11.64	***
PS Dynmc Consmr Discr	PEZ	EA	E	-0.48	-3.65	-9.05	-0.24	-3.80	4.99	24.82	***
PS Dynmc Energy	PXI	EA	E	11.38	-8.46	-9.44	1.15	0.03	7.47	38.75	***
PS Dynmc Energy Explor	PXE	EA	E	9.07	-14.30	-12.37	-1.88	-0.86	7.68	22.96	***
PS Dynmc Fncl	PFI	EA	E	-0.37	-12.20	-11.37	1.73	-1.56	4.36	17.63	***
PS Dynmc Food & Bev	PBJ	EA	E	5.43	1.73	-7.75	-2.54	-1.21	3.70	18.82	***
PS Dynmc Healthcare	PTH	EA	E	10.84	-0.45	-11.52	1.05	-0.52	4.57	28.25	***
PS Dynmc Indstrls	PRN	EA	E	-1.15	-12.43	-14.57	1.90	-1.29	5.96	27.09	***
PS Dynmc Leisure & Enter	PEJ	EA	E	0.83	-2.98	-7.92	-1.35	-1.14	4.70	18.25	***
PS Dynmc Lrg Cap Grth	PWB	ELC	E	3.91	-4.14	-7.16	2.92	0.25	4.20	16.20	***
PS Dynmc Media	PBS	EA	E	-2.21	-15.98	-17.17	-2.88	-3.53	5.54	12.83	***
PS Dynmc Networking	PXQ	EA	E	2.94	-11.72	-11.69	11.65	1.46	6.65	25.34	***
PS Dynmc Oil & Gas Srvcs	PXJ	EA	E	4.13	-15.43	-14.71	-1.72	2.72	9.34	21.16	***

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



# Middle ETF Growth Ranking to same month end

Fund Name	Symbol	Style	Hybrid	12m	9m	6m	3m	1m	V	NAV	Rank
			Equity Bond								
PS Dynmc Semicndctr	PSI	EA	E	-8.42	-21.87	-22.18	4.29	-4.26	7.71	13.93	***
PS Dynmc Software	PSJ	EA	E	2.20	-8.88	-9.49	6.80	-2.47	4.74	24.26	***
PS Dynmc Technology	PTF	EA	E	1.21	-7.58	-12.31	-2.10	16.06	5.88	24.28	***
PS Dynmc Utilities	PUI	EA	E	6.31	-0.37	-7.89	0.06	0.58	2.57	16.17	***
PS FTSE RAFI Asia Pac xJpn	PAF	EW	E	-1.90	-8.80	-15.59	-4.69	-1.46	5.99	50.20	***
PS FTSE RAFI Dvlp Mrkt xUSA	PXF	EW	E	-8.81	-19.66	-19.85	-4.27	-2.22	5.82	33.84	***
PS FTSE RAFI Dvlp Mrkt xUSA Sml	PDN	EW	E	-4.27	-14.85	-15.15	-7.44	-2.18	4.45	21.51	***
PS FTSE RAFI Emrg Mrkt	PXH	EW	E	-13.11	-17.08	-18.57	-7.12	-2.39	5.36	21.27	***
PS FTSE RAFI US 1500 Sml-Mid	PRFZ	EMC	E	0.07	-12.38	-13.59	1.06	-1.04	5.45	59.87	***
PS Gbl Agriculture	PAGG	EA	E	-5.14	-15.55	-15.78	-11.55	-5.02	5.62	28.03	***
PS Gbl Coal	PKOL	EA	E	-20.88	-26.40	-25.38	-12.16	-4.99	7.69	27.02	***
PS Gbl Gold Precious Mtls	PSAU	EG	E	-5.49	-5.57	-3.92	-8.53	1.49	6.36	45.80	***
PS Ibtstn Altrntv	PTO	ELC	E	-1.73	-4.68	-7.66	-5.95	-2.35	2.71	11.22	***
PS Intrntl Dvnd	PID	EW	E	0.68	-7.82	-11.21	-3.14	-3.16	4.26	14.73	***
PS Mrngstr Stk	PYH	ELC	E	5.22	-4.54	-9.43	-2.44	9.31	3.91	19.97	***
PS NASDAQ Intrnt	PNQI	EA	E	0.38	-5.43	-12.29	-5.76	-3.59	5.80	34.69	***
PS RvrFrnt Tac Bal	PAO	EGI	E	-5.92	-12.26	-13.91	-3.38	-1.55	3.56	11.45	***
PS RvrFrnt Tac G&I	PCA	EGI	E	-2.86	-7.01	-8.68	-2.16	-2.48	2.55	12.21	***
PS S&P SmlCap Cnsmr Dis	PSCD	EA	E	-2.04	-5.24	-11.42	0.53	-3.01	5.64	26.38	***
PS S&P SmlCap Fincl	PSCF	EA	E	4.52	-6.80	-7.92	2.41	-1.53	4.28	26.10	***
PS S&P SmlCap Indstris	PSCI	EA	E	0.30	-9.79	-10.81	1.12	-1.34	5.59	26.91	***
PS S&P SmlCap Info Tech	PSCT	EA	E	2.84	-11.39	-12.91	6.95	-0.21	6.32	27.85	***
PS S&P SmlCap Mtris	PSCM	EA	E	-4.80	-11.54	-14.45	-2.18	-2.48	5.07	25.61	***
PS US REIT	PSR	ERE	E	8.75	-2.77	-8.11	-2.18	-4.51	4.49	48.47	***
PS Water Resources	PHO	EA	E	-2.88	-12.65	-13.57	0.00	0.53	5.15	17.20	***
PS WilderHill Prgsv Enrgy	PUW	EA	E	-12.28	-22.34	-21.10	-3.96	-3.19	6.43	23.05	***
PS Zacks Micro Cap	PZI	ESC	E	-7.59	-18.09	-17.15	0.60	-0.98	5.98	10.10	***
Select SPDR Enrgy	XLE	EA	E	13.01	-9.77	-8.09	3.25	1.66	6.70	70.87	***
Select SPDR Indl	XLI	EA	E	3.93	-8.43	-9.94	4.60	1.41	5.03	33.89	***
Select SPDR Matrils	XLB	EA	E	-1.90	-12.52	-13.16	-2.32	0.20	5.13	34.52	***
SPDR DJ Gbl Titans	DGT	EW	E	-5.62	-16.53	-15.30	-3.35	-1.92	4.76	51.61	***
SPDR Euro Stoxx 50	FEZ	EW	E	-8.84	-24.24	-25.51	-4.99	-3.90	7.96	31.03	***
SPDR S&P 500	SPY	ELC	E	5.48	-6.13	-7.35	2.27	-0.41	3.80	124.99	***
SPDR Wish REIT	RWR	ERE	E	5.70	-5.93	-10.50	-3.01	-3.95	4.85	62.15	***
Vngrd Emrg Mrkt	VWO	EW	E	-10.36	-12.04	-16.88	-7.08	-1.71	5.68	40.82	***
Vngrd Extnd 4500	VXF	ELC	E	2.44	-9.37	-12.40	1.08	-0.55	5.17	52.44	***
Vngrd Fincl Srv	VFH	EA	E	-9.29	-21.57	-18.19	-3.86	-4.27	5.01	27.16	***
Vngrd Large Cap	VV	ELC	E	5.31	-6.35	-7.84	1.98	-0.44	3.88	57.10	***
Vngrd Materials	VAW	ELC	E	-0.62	-10.26	-12.26	-1.43	0.54	5.46	76.45	***
Vngrd MidCap Val	VO	EMC	E	3.79	-7.63	-11.18	1.27	-0.62	4.67	73.17	***
Vngrd Small Cap	VB	ESC	E	3.39	-8.73	-11.64	2.18	-0.44	5.34	70.44	***
Vngrd Small Cap Grth	VBK	ESC	E	6.37	-7.67	-11.91	2.32	-0.66	5.85	77.23	***
Vngrd Small Cap Value	VBR	ESC	E	0.40	-9.81	-11.26	2.11	-0.14	4.80	63.51	***
Vngrd TTL Stock	VTI	ELC	E	4.93	-6.80	-8.45	2.01	-0.37	3.99	64.04	***
Wtree DEFA	DWM	EW	E	-3.72	-15.38	-17.39	-5.16	-2.14	5.33	42.47	***
Wtree DEFA Eqty Incm	DTH	EW	E	-1.51	-14.73	-17.32	-4.59	-3.70	6.07	37.81	***
Wtree Emrg Mrkt Eincm	DEM	EW	E	-6.41	-9.78	-16.40	-8.66	-0.46	5.18	52.39	***
Wtree Emrg Mrkt SC Div	DGS	EW	E	-16.45	-15.05	-21.90	-10.50	-1.48	6.29	42.72	***
Wtree Eur SC Div	DFE	EW	E	-11.15	-23.63	-27.01	-10.40	-6.38	7.11	33.78	***
Wtree Gbl Eqty Incm	DEW	EW	E	-2.17	-12.38	-15.02	-5.29	-3.15	4.99	39.21	***
Wtree Intrntl Div Ex Fincl	DOO	EW	E	-0.98	-12.16	-15.93	-3.53	-1.77	5.44	41.03	***
Wtree Intrntl LC Div	DOL	EW	E	-3.40	-15.19	-16.59	-3.74	-2.74	5.76	41.14	***
Wtree Intrntl MC Div	DIM	EW	E	-7.79	-18.25	-19.63	-8.42	-4.05	5.37	44.40	***
Wtree Intrntl SC Div	DLS	EW	E	-3.89	-15.05	-16.35	-6.79	-1.75	4.59	45.27	***
Wtree Intrntl Utilities	DBU	EA	E	-4.94	-16.36	-15.87	-7.29	-1.80	4.88	18.18	***
Wtree Japan SC Div	DFJ	EWR	E	4.80	-8.62	0.95	-3.02	2.25	3.27	42.33	***
Wtree LrgCap Grth	ROI	ELC	E	1.97	-7.97	-7.92	1.09	-2.16	4.24	35.75	***
Wtree MidCap Div	DON	EMC	E	5.91	-4.62	-8.60	0.99	-0.39	3.79	51.23	***
Wtree MidCap Earn	EZM	EMC	E	5.09	-6.90	-10.36	1.98	-0.74	5.03	53.50	***
Wtree Middle East Div	GULF	EW	E	-7.13	-3.81	-8.21	0.00	1.14	3.71	15.10	***
Wtree S&P 500	EPS	ELC	E	5.18	-5.55	-6.63	2.63	-1.26	3.67	43.22	***
Wtree Sml Cap Div	DES	ESC	E	-1.02	-8.22	-9.10	1.97	-0.16	4.11	44.43	***
Wtree Ttl Earn	EXT	ELC	E	4.90	-6.08	-7.32	2.31	-1.14	3.83	44.30	***
Wtree World Ex US Grth	DNL	EW	E	-7.80	-12.52	-17.51	-8.80	-1.86	5.49	47.49	***

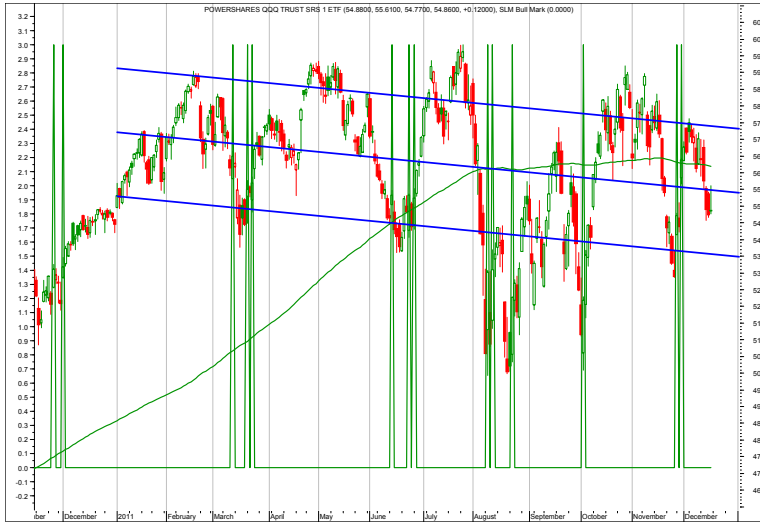
This shows the ETF Growth Database and Ranking. It shows performance over the last 12, 9, 6, 3, and 1 months through the previous month's end. V is Volatility. NAV is price. Rank shows the number of comets from 5 to 1. The larger the better.

# Bottom ETF Growth Ranking to same month end

Fund Name	Symbol	Style	Hybrid Equity Bond	12m	9m	6m	3m	1m	V	NAV	Rank
Guggnhm Airline	FAA	EA	E	-35.93	-28.61	-28.08	-7.64	-8.76	5.96	26.35	**
Guggnhm China REIT	TAO	EWR	E	-22.67	-18.14	-24.22	-14.93	-4.57	6.53	15.21	**
Guggnhm China Sml	HAO	EWR	E	-30.06	-21.78	-24.97	-8.72	2.72	6.99	21.87	**
Guggnhm Frntr	FRN	EW	E	-19.21	-13.30	-16.89	-11.69	-4.05	4.76	19.07	**
Guggnhm Intrntl SmlCap	XGC	EW	E	-28.18	-29.75	-30.30	-18.32	-8.35	6.72	16.72	**
Guggnhm Shipping	SEA	EA	E	-47.91	-47.51	-41.82	-19.02	-11.26	6.13	14.35	**
Guggnhm Solar	TAN	EA	E	-55.18	-62.61	-59.01	-43.77	-12.29	11.40	3.07	**
Guggnhm Timber	CUT	EA	E	-13.21	-23.96	-24.26	-8.77	-2.36	5.67	16.95	**
iShares Canada	EWC	EW	E	-6.38	-18.44	-16.53	-8.13	-2.76	4.45	27.46	**
iShares Prfrd	PFF	EGI	E	-8.22	-9.01	-10.35	-4.85	-3.67	1.75	35.94	**
PS BLDR Asia 50 ADR	ADRA	EW	E	-11.53	-19.10	-15.30	-5.59	-1.91	4.17	23.63	**
PS Emrg Mrkt Infrastrctr	PXR	EW	E	-21.77	-24.13	-28.36	-13.48	-5.18	7.49	38.77	**
PS Fincl Pfd	PGF	EGI	E	-7.88	-9.52	-11.37	-6.29	-4.13	2.05	16.25	**
PS Gibl Clean Enrgy	PBD	EW	E	-29.88	-36.95	-37.29	-19.42	-6.55	7.41	9.13	**
PS Gibl Listd Prvt Eqty	PSP	EW	E	-20.25	-28.51	-30.70	-10.44	-6.86	7.15	8.15	**
PS Gibl Nuclr Enrgy	PKN	EW	E	-18.20	-24.86	-16.67	-3.00	-1.82	5.37	16.50	**
PS Gibl Steel	PSTL	EA	E	-25.39	-34.21	-29.56	-15.75	-7.18	6.48	15.78	**
PS Gibl Water	PIO	EW	E	-10.74	-18.02	-21.70	-7.09	-3.19	5.05	16.38	**
PS Gibl Wind Energy	PWND	EW	E	-20.15	-28.46	-31.03	-13.83	-5.69	6.69	7.29	**
PS Gldn Drgn USX China	PGJ	EW	E	-20.15	-21.85	-22.08	-12.39	-3.14	5.75	21.28	**
PS India	PIN	EW	E	-23.18	-17.97	-21.16	-11.75	-9.12	6.86	18.03	**
PS Lux Nanotech	PXN	EA	E	-35.93	-39.06	-32.25	-14.38	-2.50	6.17	6.24	**
PS MENA Frntr Countries	PMNA	EW	E	-19.06	-13.44	-13.77	-5.83	-4.14	3.33	10.83	**
PS WilderHill Cln Enrgy	PBW	EA	E	-42.56	-48.70	-42.20	-23.86	-8.46	7.60	5.52	**
Select SPDR Financs	XLF	EA	E	-11.41	-23.98	-19.13	-4.26	-5.08	5.15	12.81	**
Wtree India	EPI	EWR	E	-29.50	-22.25	-25.49	-15.44	-12.26	7.48	17.54	**
Wtree Intrntl REIT	DRW	ERE	E	-13.11	-16.58	-19.55	-9.29	-1.61	4.88	24.40	**
Wtree Japan Hedge Eqty	DXJ	EC	E	-12.08	-20.26	-10.40	-2.57	-0.43	3.01	32.23	**

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.

# Growth Charts



## QQQ—OTC

12/19 This shows the QQQ over the last year. Lots of heat, but no fire.  
 12/12 Sold position on the fall out of the resistance zone.  
 12/5 We're in the resistance zone of 57-58.  
 So watch for a potential turn.  
 11/28 Buying for a bounce back to 57-58 (about 6%).



## DGL—Gold

12/19 Stopped out on drop through uptrend line. There is a preliminary buy signal, but at this point I'll ignore it.  
 12/12 Continue to monitor.  
 12/5 Given coordinated easing from central banks around the world, we have a buy signal on DGL. See the Growth Portfolio on page 6.  
 11/28 No change.  
 11/21 Another example of buy signals on a higher ranked ETF.



## XLF—Financials

12/19 Financials have trended down all year long, suggesting that the after effects of 2008 continue to linger.  
 12/12 This is an example of a weak ETF with sell short signals. (FYI, final timing model is still under construction.)

Each chart shows daily prices (top portion), volume (bottom portion), a moving average (smoothed red line on price portion), a relative performance indicator between the ETF and S&P 500 (orange line), and red 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, but the ETF declines, 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**

dling means you can't do anything more than just move sideways. The big question is since low rates hasn't stimulated anything more than muddling along, what would change in 2012 to improve things? On the other hand, things haven't worsened either.

Politicians around the globe have continued to muddle along, trying desperately to appear to be doing something, while accomplishing nothing. I suppose this might be a blessing in disguise.

With 2012 an election year here in the US, does anyone really think things will change on

the political front? The most likely course is to tinker here and there without really addressing underlying issues like structural deficits and entitlement programs.

Housing continues to scrap along also without much improvement, but again, without much of an appearance of getting worse.

For consumers, again, sideways seems to be the message. Joblessness has stabilized, definitely not getting worse, but nothing like it has been in previous recoveries. Spending is also moving sideways. Repairing balance sheets (debt loads) continues.

If these macro factors continue in the New Year, and by all accounts they should, stocks and bonds should generally continue in 2012 as they have in 2011; that is, stocks should generally move sideways to down and bonds should generally move sideways to up.

The big unknowns, however, continue. What will happen to the European Union? Is there a recession around the corner? These things would tip the sideways muddler into a downtrend. Caution remains a key. Trading remains the strategy.

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.

Secular is years to decades.

Cyclical is 2-4 years.

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, short term up, but long term down.

12/19/11 Brought some additional information over to the portfolio results shown on pages 2 and 6.

12/12/11 No changes.

12/5/11 No changes.

11/28/11 No changes.

11/21/11 No updates.

11/14/11 Added a couple of new dividend-oriented ETFs to the database (VIG and SDY). Also began work on the new short-term sell timing model (see bottom chart on page 11 for an example). I hope to have the selection and timing models combined into one model by the New Year.

# 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, page2: 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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