

Strategy Recommendations

Model / Changes / Holdings	As of 8/23/13	
ETF Dividend & Income Most recent recommendation on 7/15/13. <i>Current Holdings:</i> AMJ, BSJE, BSJF, BSJG, BSJH, DEM, HDV, PCEF, PID, RWO, SPLV, TDIV, VIG	+0.2% wk	+7.2% ytd
ETF Strategic Allocation Most recent recommendation on 12/31/12. <i>Current Holdings:</i> BND, BWX, IEMG, IXUS, PCY, RWO, SJNK, TIP, USCI, VB, VQT, VTI, Cash	+0.1% wk	+2.1% ytd
ETF Tactical Growth Most recent recommendation on 8/12/13. <i>Current Holdings:</i> CSD, EES, FXG, IWC, IWO, PKW, QQEW	+1.2% wk	+11.2% ytd
ETF Sector Rotation Sell iShares US Financial Services (IYG). Buy PowerShares Nasdaq Internet (PNQI) with proceeds and cash (~24.6%). <i>Current Holdings:</i> FXG, PNQI, RCD, XLV	+0.6% wk	+10.5% ytd

Note: Our performance reflects new recommendations executed at the closing price on the day the recommendation is made. **You may place trades as soon as you receive this update.**

Commentary

Flash Freeze and Flash Reversals

Last Thursday, the Nasdaq shut down for three hours in the middle of the trading day in what has been dubbed the Flash Freeze. During the trading halt, Nasdaq OMX (NDAQ) officials were conspicuous by their absence. They were giving the press little to no indication about the nature or extent of the problems. Pundits claimed the exchange failed to deploy basic "Crisis Management 101" techniques. Hopefully, Nasdaq officials provided regulators with better and more timely information.

After markets closed on Thursday, Nasdaq proclaimed all technical problems were resolved within the first half hour. The remaining two-and-a-half hours were "necessary" to ensure a smooth and orderly reopen of trading operations. Additionally, they began pointing fingers at rival NYSE Euronext (NYX). If Nasdaq truly intends to be "the stock market for the next 100 years," there is much work to do in restoring investor confidence.

Given the three-hour mid-day shut down without explanation and an already jittery market, stocks were handed the perfect catalyst to go into a tailspin. Remarkably, they did not. Instead, NYSE listed stocks drifted higher during the outage, most Nasdaq listings reopened to the upside, and U.S. equity markets finished higher for the day. The reality that stocks didn't decline when they had the chance only reinforces our current bullish view.

Last week we discussed many of the extremes showing up in our weekly one-week performance chart. We pointed out how Vanguard REIT (VNQ) had plunged 6.6% for the week and was sitting 16.9% below its May peak. In a dramatic reversal, Real Estate is at the top of today's performance chart, jumping 2.3% during the past week. The Nasdaq 100 and Russell 2000 both tacked on 1.5%

or better, while Emerging Markets and Pacific ex-Japan were among the worst performing groups.

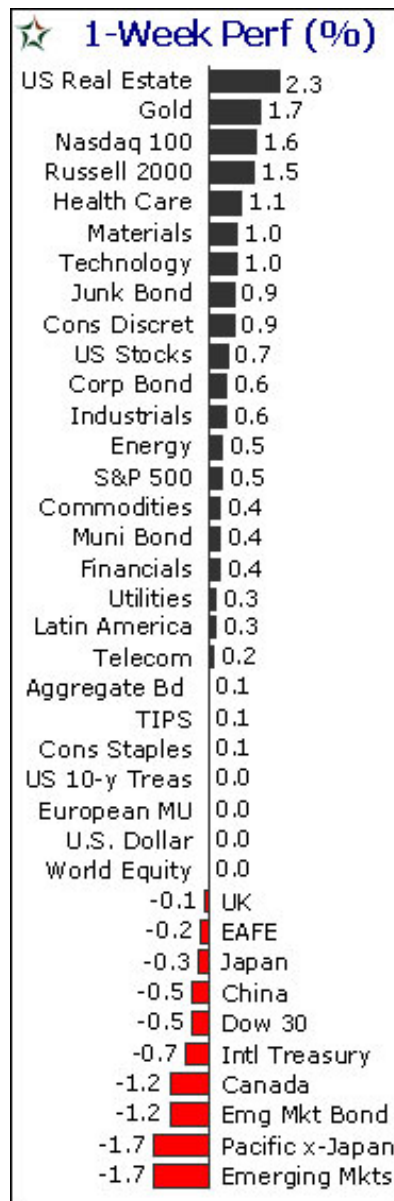
Enjoy the Labor Day holiday with your family and friends, and check for your next update on Tuesday, September 3rd.

The **ETF Dividend & Income** model increased 0.2% for the week and is up 7.2% year-to-date. JPMorgan Alerian MLP ETN (AMJ) was the standout performer in this model for the week with a 2.0% gain. It begins trading ex-dividend of \$0.5591 per share today, which suggests a 4.8% yield based on its current 3.0% premium to NAV. Emerging markets were once again a source of weakness, with WisdomTree Emerging Markets Equity Income (DEM) shedding 1.1%.

The **ETF Strategic Allocation** model moved ahead 0.1% for the week and is up 2.1% year-to-date. U.S. stocks were the primary contributors to this model's upside performance, with Vanguard Small Cap (VB) adding 1.1% and Vanguard Total Stock Market (VTI) gaining 0.7%. Emerging market stocks and bonds were the source of negative action as iShares Core MSCI Emerging Markets (IEMG) dropped 1.7% and PowerShares Emerging Markets Sovereign Debt (PCY) shed 1.2%.

The **ETF Tactical Growth** model gained 1.2% for the week and is up 11.2% year-to-date. This model had a good week with every position outperforming the 0.5% advance of the S&P 500. Smaller companies continue to make impressive gains, which translated to a 1.9% jump in iShares Micro-Cap (IWC), a 1.7% gain for iShares Russell 2000 Growth (IWO), and a 1.6% advance for WisdomTree Small Cap Earnings (EES).

The **ETF Sector Rotation** model advanced 0.6% for the week and is up 10.5% year-to-date. With the exception of regional banks, most finance-related stocks are losing momentum. Meanwhile, technology companies are performing well, especially those with significant internet exposure. Today, this model will sell iShares US Financial Services (IYG) and use the proceeds along with available cash to buy PowerShares Nasdaq Internet (PNQI). This will result in about a 24.6% allocation to PNQI, which includes Facebook (FB) 11.4%, priceline.com (PCLN) 8.2%, Amazon.com (AMZN) 7.4%, Google (GOOG) 6.9%, and eBay (EBAY) 6.6% among its largest holdings.



The next scheduled update is: Tuesday, September 3, 2013
We may send trade recommendations throughout the week.

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Updated for 08/26/2013 am with latest closing data

Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
Sector ETFs								
1	SIL	Global X Silver Miners	75	0	2.1	24.2	69	2.6
2	TAN	Guggenheim Solar	66	26	7.4	3.7	59	2.4
3	CQQQ	Guggenheim China Technology	65	2	2.2	3.7	70	1.0
4	GLDX	Global X Gold Explorers	63	8	2.1	23.5	70	2.2
5	GDJ	Market Vectors Junior Gold Miners	62	15	4.9	31.0	70	2.8
6	FAN	First Trust Global Wind Energy	57	-17	-1.4	0.4	62	0.8
7	PNQI	PowerShares Nasdaq Internet	50	1	2.4	1.4	66	0.7
8	PSAU	PowerShares Global Gold and Precious Mtls	39	4	1.5	18.1	63	2.6
9	PSCH	PowerShares S&P SmallCap Health Care	38	0	2.0	0.2	62	0.6
10	PBE	PowerShares Dynamic Biotech & Genome	38	9	3.6	-1.0	59	0.7
11	KWT	Market Vectors Solar Energy	37	16	4.8	0.6	56	1.6
12	KBWR	PowerShares KBW Regional Banking	36	0	1.0	-1.3	57	0.7
13	KRE	SPDR S&P Regional Banking	34	-1	0.8	-1.5	55	0.6
14	GDX	Market Vectors Gold Miners	34	1	1.2	17.8	61	3.0
15	PPA	PowerShares Aerospace & Defense	33	-2	1.2	-1.1	60	0.5
International ETFs								
1	PGJ	PowerShares Golden Dragon China	84	5	3.6	4.6	74	1.1
2	EIRL	iShares MSCI Ireland Capped	42	1	1.7	2.4	70	0.5
3	DFE	WisdomTree Europe SmallCap Dividend	42	-2	1.2	3.8	72	0.6
4	EWP	iShares MSCI Spain Capped	38	-14	-1.1	2.3	63	0.9
5	EWN	iShares MSCI Netherlands	36	-5	0.7	2.1	68	0.5
6	EWI	iShares MSCI Italy Capped	36	-13	-1.3	3.8	63	0.9
7	EWO	iShares MSCI Austria Capped	35	-4	0.0	4.3	72	0.6
8	FNI	First Trust ISE Chindia	34	-8	0.8	0.6	60	0.9
9	PLND	Market Vectors Poland	33	-5	1.0	2.7	63	0.9
10	EPOL	iShares MSCI Poland Capped	33	-6	1.1	2.6	63	1.0
11	EWQ	iShares MSCI France	31	-8	-0.5	1.1	64	0.5
12	EWK	iShares MSCI Belgium Capped	31	-6	0.3	2.1	68	0.7
13	EZU	iShares MSCI EMU	31	-6	0.0	1.6	66	0.5
14	FEP	First Trust Europe AlphaDEX	29	-6	0.1	0.4	62	0.5
15	FEZ	SPDR Euro STOXX 50	29	-8	-0.3	1.2	64	0.6
Style ETFs								
1	JKK	iShares Morningstar Small-Cap Growth	28	1	1.9	-0.4	60	0.6
2	FPX	First Trust US IPO Index Fund	26	3	2.4	-0.9	60	0.6
3	RZG	Guggenheim S&P SmallCap 600 Pure Growth	25	2	2.0	0.0	59	0.6
4	DWAS	PowerShares DWA SmallCap Technical Ldrs	25	3	2.1	-1.7	56	0.7
5	IJT	iShares S&P Small-Cap 600 Growth (\$0 Fid)	23	1	1.7	-0.7	56	0.7
6	PZD	PowerShares Cleantech	23	-1	1.3	0.5	60	0.6
7	SLYG	SPDR S&P 600 Small Cap Growth	22	0	1.3	-1.0	55	0.7
8	EES	WisdomTree Small Cap Earnings	22	1	1.6	-1.1	54	0.7
9	IWO	iShares Russell 2000 Growth	22	1	1.7	-1.5	55	0.7
10	RYJ	Guggenheim Raymond James SB-1 Equity	21	1	1.4	-1.4	56	0.6
11	RWJ	RevenueShares Small Cap	21	-2	1.1	-1.3	53	0.6
12	VTWG	Vanguard Russell 2000 Growth	21	0	1.6	-1.5	55	0.7
13	ONEQ	Fidelity Nasdaq Comp Tracking Stk (\$0 Fid)	21	1	1.6	-0.8	59	0.5
14	RPV	Guggenheim S&P 500 Pure Value	20	-6	0.2	-1.5	53	0.6
15	IJR	iShares Core S&P Small-Cap (\$0 Fid)	20	0	1.5	-1.1	54	0.6

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Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
Bond ETFs								
1	HYXU	iShares Global ex USD High Yield Corp Bond	12	-1	0.4	1.0	59	0.4
2	CWB	SPDR Barclays Convertible Securities	10	-1	0.6	-1.5	54	0.4
3	IBND	SPDR Barclays International Corporate Bond	7	0	0.1	1.0	56	0.4
4	HYLD	AdvisorShares Peritus High Yield	7	0	0.2	0.1	61	0.1
5	ISHG	iShares 1-3 Year International Treas (\$0 Fid)	4	0	-0.1	0.7	56	0.3
6	BSJE	Guggenheim BulletShares 2014 HY Bond	3	-1	0.0	0.0	57	0.1
7	SJNK	SPDR Barclays Short Term High Yield Bond	2	0	0.3	-0.1	55	0.1
8	SNLN	Highland/iBoxx Senior Loan	2	0	0.1	0.1	54	0.1
9	DSUM	PowerShares Chinese Yuan Dim Sum Bond	2	3	0.6	0.7	62	0.2
10	BWZ	SPDR Barclays Short Term Intl Treas Bond	1	-3	-0.6	0.3	50	0.4
11	IGOV	iShares International Treasury (\$0 Fid)	1	-2	-0.5	0.5	50	0.4
12	BSJG	Guggenheim BulletShares 2016 HY Bond	1	-2	-0.3	-0.5	46	0.1
13	BSJH	Guggenheim BulletShares 2017 HY Bond	1	-2	-0.3	-0.5	44	0.1
14	BSJF	Guggenheim BulletShares 2015 HY Bond	1	-1	-0.1	-0.7	47	0.1
15	GSY	Guggenheim Enhanced Short Duration Bond	1	0	0.0	0.0	63	0.0
Leveraged & Inverse ETFs								
1	YINN	Direxion Daily China Bull 3x	140	3	5.3	8.3	67	2.8
2	TTT	ProShares UltraPro Short 20+ Year Treasury	83	-9	-3.0	5.9	54	2.3
3	SBND	PowerShares DB 3x Short 25+ Treas ETN	82	-8	-2.2	5.5	56	2.1
4	TMV	Direxion Daily 20+ Year Treasury Bear 3x	81	-10	-2.9	5.5	55	2.2
5	DRV	Direxion Daily Real Estate Bear 3x	79	-18	-7.3	12.1	58	2.5
6	UWTI	VelocityShares 3x Long Crude ETN	70	-34	-2.7	-2.8	55	2.7
7	KRU	ProShares Ultra KBW Regional Banking	68	-2	1.8	-2.6	57	1.2
8	AGQ	ProShares Ultra Silver	65	35	6.9	45.4	79	2.8
9	DTYS	iPath US Treasury 10-year Yield Bear ETN	64	5	0.2	6.9	59	1.5
10	SRS	ProShares UltraShort Real Estate	59	-13	-4.9	7.5	58	1.7
11	TBT	ProShares UltraShort 20+ Yr Treasury	57	-6	-1.9	3.8	55	1.4
12	DLBS	iPath US Treasury Long Bond Yield Bear ETN	57	-4	-1.2	3.6	56	1.4
13	BZQ	ProShares UltraShort MSCI Brazil Capped	56	7	-3.9	-0.6	46	2.5
14	TQQQ	ProShares UltraPro QQQ	53	4	5.0	-1.4	60	1.4
15	UCO	ProShares Ultra DJ-UBS Crude Oil	52	-22	-2.2	0.8	56	1.9
Commodity ETFs								
1	DBS	PowerShares DB Silver	46	16	3.5	21.9	80	1.4
2	USV	ETRACS CMCI Silver TR ETN	44	13	2.9	20.8	77	1.5
3	SLV	iShares Silver Trust	44	17	3.6	21.1	79	1.4
4	SIVR	ETFS Physical Silver Shares	44	17	3.4	20.9	79	1.4
5	NIB	iPath DJ-UBS Cocoa ETN	32	-11	-1.1	7.4	59	1.1
6	WITE	ETFS Physical White Metal Basket Shares	32	4	0.6	12.1	76	0.9
7	PTM	ETRACS CMCI Long Platinum TR ETN	30	5	1.1	6.4	65	0.9
8	OIL	iPath S&P GSCI Crude Oil Total Return ETN	28	-13	-1.3	-0.2	55	1.0
9	PPLT	ETFS Physical Platinum Shares	27	2	0.7	6.2	69	0.8
10	USO	United States Oil Fund	26	-12	-1.2	0.0	56	1.0
11	USL	United States 12-Month Oil	25	-8	-0.7	1.1	59	0.7
12	BNO	United States Brent Oil	25	1	0.4	2.8	67	0.7
13	GLTR	ETFS Precious Metals Basket Shares	24	11	2.1	10.9	76	0.8
14	RJN	ELEMENTS Rogers ICI Energy ETN	22	-4	0.0	1.4	60	0.8
15	JJP	iPath DJ-UBS Precious Metals ETN	19	13	2.6	9.5	71	1.0

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Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
Currency ETFs								
1	CROC	ProShares UltraShort Australian Dollar	32	11	3.1	-3.4	54	1.1
2	FXB	CurrencyShares British Pound Trust	8	-1	-0.3	1.9	58	0.4
3	FXE	CurrencyShares Euro Trust	8	1	0.4	0.7	59	0.3
4	FXF	CurrencyShares Swiss Franc Trust	8	2	0.5	0.9	57	0.4
5	UDN	PowerShares DB US Dollar Index Bearish	6	-1	0.0	0.8	55	0.3
6	CNY	Market Vectors Chinese Renminbi/USD ETN	5	-1	-0.6	0.6	53	0.4
7	FXS	CurrencyShares Swedish Krona Trust	5	0	0.3	1.7	55	0.5
8	CYB	WisdomTree Chinese Yuan	4	0	0.1	0.5	67	0.1
9	YCS	ProShares UltraShort Yen	-1	11	2.2	-0.8	53	1.2
10	FXY	CurrencyShares Japanese Yen Trust	-3	-5	-1.1	0.2	46	0.6
11	UUP	PowerShares DB US Dollar Index Bullish	-7	1	0.0	-0.8	44	0.3
12	FXC	CurrencyShares Canadian Dollar Trust	-9	-8	-1.6	-1.0	37	0.3
13	CEW	WisdomTree Emerging Currency	-16	-7	-1.3	-2.1	35	0.3
14	DBV	PowerShares DB G10 Currency Harvest	-19	-10	-2.2	-0.6	39	0.5
15	EUO	ProShares UltraShort Euro	-19	-2	-0.8	-1.6	40	0.6
Fidelity Select Funds								
1	FSAGX	Select Gold (0.75%-30)	42	5	1.7	19.1	65	2.5
2	FAVX	Select Automotive (0.75%-30)	35	-7	0.7	-1.2	57	0.9
3	FBIOX	Select Biotechnology (0.75%-30)	29	7	3.2	-4.5	53	0.8
4	FBSOX	Select IT Services (0.75%-30)	27	-1	1.2	-0.3	59	0.5
5	FSCSX	Select Software & Cmptr Svcs (0.75%-30)	25	3	2.2	0.1	62	0.6
6	FSRBX	Select Banking (0.75%-30)	24	-4	0.3	-1.9	54	0.5
7	FSPHX	Select Health Care (0.75%-30)	23	-1	1.1	-2.7	52	0.5
8	FSPTX	Select Technology (0.75%-30)	21	-3	0.8	-0.3	58	0.5
9	FSDAX	Select Defense & Aerospace (0.75%-30)	20	-1	1.1	-2.1	54	0.5
10	FSRPX	Select Retailing (0.75%-30)	19	0	1.5	-2.4	52	0.6
11	FDCPX	Select Computers (0.75%-30)	18	-12	-1.3	-1.3	49	0.6
12	FSDCX	Select Communications Equip (0.75%-30)	18	-11	-0.7	-1.3	50	0.6
13	FSELX	Select Electronics (0.75%-30)	18	-4	0.3	-1.2	53	0.6
14	FSMEX	Select Medical Equip & Sys (0.75%-30)	18	-3	0.9	-1.7	52	0.4
15	FSHCX	Select Medical Delivery (0.75%-30)	16	-1	1.0	-1.0	52	0.5
Fidelity Non-Select Funds								
1	FOCPX	OTC Portfolio	40	-1	1.6	-0.6	63	0.6
2	FNORX	Nordic (1.5%-90)	32	-1	0.8	2.4	65	0.5
3	FCPGX	Small Cap Growth (1.5%-90)	22	0	1.3	-2.2	54	0.7
4	FECAX	Europe Capital Appreciation (1.0%-30)	21	-5	0.0	0.6	63	0.4
5	FIEUX	Europe (1.0%-30)	21	-5	0.0	0.6	63	0.4
6	FNCMX	Nasdaq Composite Index Fund (0.75%-90)	21	1	1.5	-0.7	59	0.5
7	FISMX	International Small Cap (2.0%-90)	20	-3	0.2	0.5	59	0.5
8	FDSVX	Growth Discovery	20	3	1.9	-1.0	58	0.5
9	FSCRX	Small Cap Discovery (1.5%-90) (closed)	19	-1	1.0	-1.7	54	0.6
10	FBGRX	Blue Chip Growth	18	0	1.2	-1.8	55	0.5
11	FDGRX	Growth Company (closed)	18	-1	1.3	-2.2	55	0.6
12	FMCSX	Mid-Cap Stock (0.75%-30)	17	0	1.4	-2.0	54	0.6
13	FMEIX	Mid Cap Enhanced Index (0.75%-30)	16	-2	0.8	-2.0	53	0.6
14	FDSCX	Stock Selector Small Cap (1.5%-90)	16	-1	1.3	-2.2	52	0.6
15	FOSFX	Overseas (1.0%-30)	15	-4	0.1	0.1	58	0.4