

## Strategy Recommendations

Model / Changes / Holdings	As of 2/1/13	
<b>ETF Dividend &amp; Income</b> Most recent recommendation on 8/27. <i>Current Holdings:</i> AMJ, BSJD, BSJE, BSJF, BSJG, DEM, HDV, PCEF, PID, RWO, SPLV, VIG, Cash	+0.5% wk	<b>+4.5% ytd</b>
<b>ETF Strategic Allocation</b> Most recent recommendation on 12/31. <i>Current Holdings:</i> BND, BWX, IEMG, IXUS, PCY, RWO, SJNK, TIP, USCI, VB, VQT, VTI, Cash	+0.3% wk	<b>+2.0% ytd</b>
<b>ETF Tactical Growth</b> Most recent recommendation on 12/17. <i>Current Holdings:</i> EFV, GLD, GXC, IWD, IWS, VFH, VHT, Cash	+0.8% wk	<b>+5.5% ytd</b>
<b>ETF Sector Rotation</b> Sell Fidelity Select Communications Equipment (FSDCX) or Vanguard Global ex-US Real Estate (VNQI), whichever you are holding. Buy 25% PowerShares Dynamic Energy (PXI). <i>Current Holdings:</i> MXI, PXI, VIS, XLF, Cash	+0.4% wk	<b>+6.0% ytd</b>

**Note:** Our performance reflects new recos executed at the closing price on the day the reco is made.

## Commentary

### First Month of 2013 Was Easy

January is now behind us, and it turned out to be a very good month for investors. Stocks maintained a steady climb, making it very easy to enjoy the ride. It will be difficult for February to repeat that performance, but we will welcome the attempt. For the week, Telecom posted the best results with a hefty 2.7% gain. Commodities also had a good showing led by strength in industrial metals and energy. Various bond categories crowd the bottom of the one-week performance list with Emerging Market Bonds losing 2.1% and Junk Bonds shedding 1.4%.

The **ETF Dividend & Income** model gained 0.5% for the week and is up 4.5% so far in 2013. JPMorgan Alerian MLP ETN (AMJ) was the top performer in this model, adding 2.3% for the week. We've been closely monitoring AMJ since JPMorgan stopped issuing new shares, which created the potential for a premium to develop. However, that hasn't happened yet. Some brokerages are not allowing customers to buy shares of AMJ. In those cases, we recommend ETRACS Alerian MLP Infrastructure MLP ETN (MLPI) or Credit Suisse Cushing 30 MLP ETN (MLPN). Similar to the major market categories, the bond positions in this model were the worst performers for the week. However, the shorter maturities kept declines in the -0.5% to -1.0% range.

Our **ETF Strategic Allocation** model gained 0.3% for the week and is up 2.0% for the year. It gained on strength in Commodities while weakness in Bonds was a detractor. The commodity asset class was once quite difficult for investors to add to their portfolios. It typically required opening a futures account to trade futures contracts or hiring a firm to do all that for you. ETFs make this process much simpler, and now buying and selling commodities is as easy as buying and selling a stock.

Most gold, silver, and precious metals commodity ETFs are physically backed, meaning they own the underlying commodity as opposed to just owning futures contracts on them. Exposure to energy,

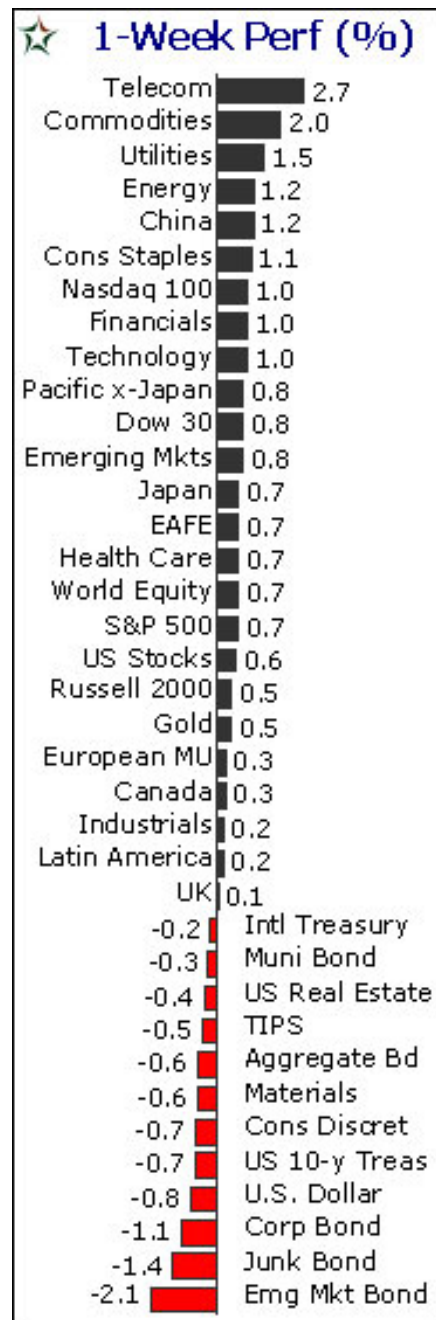
agricultural, and industrial metal commodities typically involve futures contracts. There is a catch. Futures contracts expire, requiring an investor to rollover those contracts prior to the expiration date. Some strategies like to own just the front-month contracts and therefore have to roll all their contracts every month. This can be quite costly, and if the expiring contract is worth less than the new contract, it results in a negative roll yield. A negative roll yield is known as contango, and it can be a large drag on performance if it occurs very often .

In August 2010, the United States Commodity Index Fund (USCI) was launched, becoming the first of a new generation of commodity ETFs. It is specifically designed to help overcome the contract problems outlined above. I have always liked the methodology USCI uses, and selecting it to provide our commodity exposure in this model was any easy choice.

The **ETF Tactical Growth** model added 0.8% for the week and is up 5.5% year-to-date. All current positions in this model pulled their weight last week by posting gains. Individual performances ranged from a low of +0.5% for SPDR Gold Trust (GLD) to a high of +1.2% for SPDR S&P China (GXC).

The **ETF Sector Rotation** model gained 0.4% for the week and is up 6.0% year-to-date. We are going to complete the transition from the Fidelity strategies to the ETF Sector Rotation model today. Subscribers holding Fidelity Select Communications Equipment (FSDCX) should sell their positions today and buy a new 25% position in PowerShares Dynamic Energy (PXI) with the proceeds. Subscribers holding Vanguard Global ex-US Real Estate (VNQI) should sell VNQI and buy PXI. If you are transitioning from the Fidelity Single Sector strategy, then sell FSDCX and buy PXI, VIS, XLF, and MXI to align yourself with this model.

The Energy sector has been gaining strength with much of it attributable to the Energy Services industry and the small and mid-cap stocks across the entire sector. PowerShares Dynamic Energy (PXI) provides excellent exposure to these areas by using an equal-weighting approach and having about a 25% allocation to Energy Services.



**The next scheduled update is: Monday, February 11, 2013**

We may send trade recommendations throughout the week.

#### DISCLOSURE

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All Star Fund Trader is compiled by All Star Investor.  
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Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
<b>Sector ETFs</b>								
1	IAI	iShares DJ US Broker-Dealers	79	8	3.4	9.0	87	0.8
2	PXE	PowerShares Dynamic Energy Expl & Prod	72	20	5.1	10.7	84	0.8
3	TAN	Guggenheim Solar	67	-33	-1.8	-4.9	57	1.9
4	KCE	SPDR S&P Capital Markets	65	4	2.3	6.2	85	0.6
5	PXJ	PowerShares Dynamic Oil & Gas Svcs	65	3	1.6	7.6	76	0.9
6	PXI	PowerShares Dynamic Energy	63	12	3.5	8.3	83	0.7
7	ITB	iShares DJ US Home Construction	61	-12	-2.1	4.3	63	0.8
8	XES	SPDR S&P Oil & Gas Equipment & Services	61	4	2.2	7.4	77	0.8
9	EUFN	iShares MSCI Europe Financials Sector	59	-2	0.5	2.3	69	0.8
10	PKB	PowerShares Dynamic Building & Const	57	-7	-0.7	3.8	71	0.6
11	FAA	Guggenheim Airline	57	-27	-3.0	0.6	58	0.8
12	GEX	Market Vectors Global Alternative Energy	57	-5	0.3	4.0	73	0.7
13	FXN	First Trust Energy AlphaDEX	57	11	3.1	8.1	80	0.7
14	IEZ	iShares DJ US Oil Equipment & Services	57	5	1.8	7.8	76	0.8
15	BJK	Market Vectors Gaming	57	4	2.6	3.1	79	0.6
<b>International ETFs</b>								
1	VNM	Market Vectors Vietnam	122	28	5.9	5.6	69	2.2
2	DXJ	WisdomTree Japan Hedged Equity	73	7	2.1	6.0	68	1.4
3	GREK	Global X FTSE Greece 20	69	-19	-2.3	2.6	58	1.5
4	ECNS	iShares MSCI China Small Cap Index Fund	65	-8	2.2	-0.3	63	1.0
5	GXF	Global X FTSE Nordic Region	62	13	3.8	7.7	81	0.8
6	THD	iShares MSCI Thailand Inv Mkt	61	9	3.1	7.4	76	0.7
7	EIRL	iShares MSCI Ireland Cap. Investable Mkt	60	6	2.0	5.1	78	0.7
8	DFE	WisdomTree Europe SmallCap Dividend	59	-4	0.5	3.6	73	0.7
9	EPHE	iShares MSCI Philippines Investable Market	59	11	3.9	5.4	81	0.6
10	EWD	iShares MSCI Sweden	57	17	4.0	7.6	78	0.8
11	PSP	PowerShares Global Listed Private Equity	53	1	1.5	3.7	79	0.5
12	EWN	iShares MSCI Netherlands	53	7	2.1	5.3	78	0.7
13	EWK	iShares MSCI Belgium Capped Investable Mkt	52	1	1.4	5.6	70	0.8
14	EWO	iShares MSCI Austria	48	1	0.8	1.8	68	0.6
15	PEK	Market Vectors China A-Shares	48	1	1.0	0.8	59	1.2
<b>Style ETFs</b>								
1	RPV	Guggenheim S&P 500 Pure Value	55	-1	1.1	5.6	78	0.5
2	FPX	First Trust US IPO Index Fund	52	0	1.0	4.3	77	0.5
3	RWK	RevenueShares Mid Cap	52	1	1.2	5.7	79	0.6
4	SPHB	PowerShares S&P 500 High Beta Portfolio	51	-3	0.6	4.2	74	0.6
5	RFV	Guggenheim S&P Midcap 400 Pure Value	47	-4	0.2	4.6	74	0.5
6	FDV	First Trust Strategic Value	47	-2	1.0	4.6	78	0.5
7	PZI	PowerShares Zacks Micro Cap	46	4	2.3	4.5	76	0.5
8	JKI	iShares Morningstar Mid Value	45	0	1.3	4.6	82	0.4
9	PZD	PowerShares Cleantech	44	-5	0.0	2.9	72	0.5
10	IJJ	iShares S&P MidCap 400 Value (\$0 Fid)	44	-1	0.7	4.4	79	0.4
11	JKL	iShares Morningstar Small Value	44	-1	0.9	4.8	77	0.4
12	PXSV	PowerShares Fundamental Pure Small Value	44	-2	1.1	3.9	74	0.5
13	RZV	Guggenheim S&P SmallCap 600 Pure Value	44	-3	1.0	3.5	69	0.6
14	EZM	WisdomTree Mid Cap Earnings	43	-2	0.7	4.0	77	0.4
15	IWS	iShares Russell MidCap Value	43	0	0.9	4.9	79	0.4

Updated for 02/04/2013 am with latest closing data

Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
<b>Bond ETFs</b>								
1	HYXU	iShares Global ex USD High Yield Corp Bond	30	-7	-0.4	1.3	58	0.5
2	CWB	SPDR Barclays Convertible Securities	23	-3	-0.1	1.1	68	0.3
3	GTIP	iShares Global Inflation-Linked Bond Fund	20	1	1.0	0.3	65	0.4
4	IHY	Market Vectors International High Yield Bond	19	-5	-0.7	-0.5	56	0.2
5	PCEF	PowerShares CEF Income Composite	19	-4	-0.1	1.3	75	0.2
6	ITIP	iShares International Inflation-Linked Bond	18	2	1.0	1.4	67	0.3
7	IBND	SPDR Barclays International Corporate Bond	17	1	0.9	1.4	67	0.4
8	HYEM	Market Vectors Emg Mkts High Yield Bond	15	-6	-0.9	-0.7	49	0.2
9	HYLD	AdvisorShares Peritus High Yield	15	-2	0.0	0.8	76	0.1
10	GHYG	iShares Global High Yield Corporate Bond	14	-5	-0.7	-0.2	54	0.2
11	EMLC	Market Vectors Emg Mkts Local Curr Bond	14	1	0.7	0.8	67	0.2
12	HYS	PIMCO 0-5 Year High Yield Corp Bnd Index	11	-3	-0.1	0.3	70	0.1
13	WIP	SPDR DB Intl Gov't Inflation Protected Bnd	11	0	0.6	0.2	60	0.3
14	EBND	SPDR Barclays Emerging Markets Local Bond	11	-4	0.0	0.4	55	0.4
15	ILB	PIMCO Global Advantage Infl-Lnkd Bond	10	1	0.7	1.3	64	0.2
<b>Leveraged &amp; Inverse ETFs</b>								
1	MIDU	Direxion Daily Mid Cap Bull 3x	120	-7	1.2	12.7	76	1.3
2	UMDD	ProShares UltraPro S&P MidCap400	120	-7	1.3	12.6	77	1.2
3	DUST	Direxion Daily Gold Miners Bear 3x	115	20	-2.4	21.5	60	4.0
4	ERX	Direxion Daily Energy Bull 3x	114	15	4.4	19.3	73	1.8
5	URTY	ProShares UltraPro Russell2000	113	-8	1.7	10.2	73	1.2
6	TNA	Direxion Daily Small Cap Bull 3x	113	-8	1.6	10.1	72	1.3
7	FAS	Direxion Daily Financial Bull 3x	113	-6	2.4	7.7	75	1.1
8	SOXL	Direxion Daily Semiconductor Bull 3x	111	2	3.7	15.0	69	2.3
9	RUSL	Direxion Daily Russia Bull 3x	109	-5	0.4	9.7	66	1.9
10	DZK	Direxion Daily Developed Markets Bull 3x	107	3	2.1	7.7	71	1.5
11	INDL	Direxion Daily India Bull 3x	102	-4	1.3	15.3	65	2.4
12	MLPL	ETRACS 2x Mthly Alerian MLP Infra ETN	87	20	5.7	10.6	79	1.0
13	UWTI	VelocityShares 3x Long Crude ETN	84	21	5.6	11.1	69	1.8
14	MATL	Direxion Daily Basic Materials Bull 3x	84	-28	-1.8	3.0	61	1.6
15	UDOW	ProShares UltraPro Dow30	83	4	2.4	12.2	74	1.1
<b>Commodity ETFs</b>								
1	PALL	ETFS Physical Palladium Shares	56	7	2.2	7.7	71	1.0
2	UGA	United States Gasoline Fund LP	55	26	5.4	8.9	78	0.9
3	BAL	iPath DJ-UBS Cotton ETN	53	7	2.7	10.8	74	0.9
4	BNO	United States Brent Oil Fund	34	11	2.9	5.1	76	0.6
5	DBO	PowerShares DB Oil	33	7	1.9	4.1	74	0.5
6	OIL	iPath S&P GSCI Crude Oil Total Return ETN	32	6	1.8	3.7	69	0.6
7	USO	United States Oil Fund	31	6	1.6	3.5	69	0.5
8	RJN	ELEMENTS Rogers ICI Energy ETN	29	7	1.9	4.4	75	0.5
9	USL	United States 12-Month Oil Fund LP	29	7	2.1	3.6	74	0.4
10	PPLT	ETFS Physical Platinum Shares	26	-6	-0.5	3.6	61	0.9
11	DBE	PowerShares DB Energy	26	8	2.4	4.5	76	0.5
12	PGM	iPath DJ-UBS Platinum ETN	25	-6	-0.4	3.5	61	0.9
13	GSP	iPath S&P GSCI Total Return Index ETN	23	10	2.5	4.2	77	0.4
14	GSG	iShares S&P GSCI Commodity Idx Trust	22	10	2.3	4.2	76	0.4
15	GSC	GS Connect S&P GSCI Enh Commodity ETN	21	11	2.6	4.4	73	0.4

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Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
<b>Currency ETFs</b>								
1	YCS	ProShares UltraShort Yen	96	12	4.4	10.3	77	1.4
2	ULE	ProShares Ultra Euro	43	14	3.0	6.2	75	0.9
3	FXS	CurrencyShares Swedish Krona Trust	22	12	2.6	3.0	72	0.5
4	BZF	WisdomTree Brazilian Real	21	12	2.3	2.3	75	0.4
5	FXE	CurrencyShares Euro Trust	21	6	1.5	3.0	76	0.4
6	ICN	WisdomTree Indian Rupee	17	3	1.1	3.2	65	0.6
7	DBV	PowerShares DB G10 Currency Harvest	14	-3	0.1	0.1	62	0.3
8	FXF	CurrencyShares Swiss Franc Trust	11	10	2.1	0.8	68	0.4
9	CCX	WisdomTree Commodity Currency	8	3	0.8	0.2	61	0.3
10	CEW	WisdomTree Emerging Currency	8	0	0.5	0.4	64	0.2
11	UDN	PowerShares DB US Dollar Index Bearish	6	4	0.8	0.8	64	0.3
12	CYB	WisdomTree Chinese Yuan	2	-2	-0.2	-0.5	46	0.1
13	ICI	iPath Optimized Currency Carry ETN	2	-8	-1.2	-0.8	47	0.5
14	FXA	CurrencyShares Australian Dollar Trust	0	-3	-0.4	-1.9	41	0.3
15	CNY	Market Vectors Chinese Renminbi/USD ETN	-2	-1	0.0	-0.5	40	0.2
<b>Fidelity Select Funds</b>								
1	FSLBX	Select Brokerage & Inv Mgmt (0.75%-30)	59	2	1.8	5.2	86	0.5
2	FSESX	Select Energy Service (0.75%-30)	56	8	2.3	8.1	75	0.9
3	FSHOX	Select Construction & Housing (0.75%-30)	46	-10	-1.3	3.7	67	0.5
4	FSRFX	Select Transportation (0.75%-30)	46	-12	-1.1	3.6	70	0.5
5	FSAVX	Select Automotive (0.75%-30)	46	-10	-0.3	0.8	62	0.7
6	FSAIX	Select Air Transportation (0.75%-30)	44	-14	-1.5	1.7	64	0.5
7	FSMEX	Select Medical Equip & Sys (0.75%-30)	44	3	1.3	5.3	83	0.5
8	FBSOX	Select IT Services (0.75%-30)	43	3	1.8	5.6	84	0.4
9	FIDSX	Select Financial Services (0.75%-30)	42	-1	1.0	3.7	81	0.4
10	FCYIX	Select Industrials (0.75%-30)	42	-2	0.4	4.3	74	0.5
11	FSLEX	Select Environment & Alt Energy (0.75%-30)	41	-6	-0.2	2.4	70	0.4
12	FSPCX	Select Insurance (0.75%-30)	40	3	1.6	4.4	79	0.5
13	FSENX	Select Energy (0.75%-30)	39	7	1.9	5.6	74	0.5
14	FSDCX	Select Communications Equip (0.75%-30)	39	-7	0.1	3.5	64	0.7
15	FSCGX	Select Industrial Equipment (0.75%-30)	38	-3	0.4	4.0	71	0.5
<b>Fidelity Non-Select Funds</b>								
1	FSCRX	Small Cap Discovery (1.5%-90)	51	0	1.2	5.1	80	0.4
2	FNORX	Nordic (1.5%-90)	51	11	3.2	6.0	82	0.6
3	FCPVX	Small Cap Value (1.5%-90)	50	0	1.3	5.3	80	0.5
4	FSMVX	Mid Cap Value (0.75%-30)	49	4	1.8	6.3	86	0.4
5	FLVCX	Leveraged Company Stock (1.5%-90)	45	-1	0.9	4.1	79	0.4
6	FDVLX	Value	43	-1	0.8	4.2	80	0.4
7	FMEIX	Mid Cap Enhanced Index (0.75%-30)	42	1	1.2	4.8	80	0.4
8	FIEUX	Europe (1.0%-30)	41	2	0.9	3.9	76	0.5
9	FECAX	Europe Capital Appreciation (1.0%-30)	40	0	0.5	3.0	72	0.5
10	FSEMXX	Spartan Extended Market Idx (0.75%-90)	40	-2	0.6	3.8	77	0.4
11	FHKCX	China Region (1.5%-90)	38	-1	1.2	0.9	64	0.5
12	FIENX	International Enhanced Index (1.0%-30)	38	3	1.1	3.0	75	0.4
13	FBCVX	Blue Chip Value	38	0	0.7	3.6	76	0.4
14	FSIIX	Spartan International Index (1.0%-90)	37	2	0.9	2.6	73	0.5
15	FSLVX	Large Cap Value	37	0	0.8	3.7	77	0.4