

Strategy Recommendations

Model / Changes / Holdings	As of 7/5/13	
ETF Dividend & Income Most recent recommendation on 8/27/12. <i>Current Holdings:</i> AMJ, BSJD, BSJE, BSJF, BSJG, DEM, HDV, PCEF, PID, RWO, SPLV, VIG, Cash	+0.0% wk	+6.1% 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	+0.2% wk	+0.2% ytd
ETF Tactical Growth Buy 14% WisdomTree Small Cap Earnings (EES). <i>Current Holdings:</i> CSD, EES, FXG, IWC, IWD, QQEW, Cash	+1.3% wk	+7.4% ytd
ETF Sector Rotation Most recent recommendation on 6/3/13. <i>Current Holdings:</i> FXG, IYG, RCD, XLV, Cash	+1.8% wk	+6.8% 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

Jobs, Taper, and Earnings

Members The headline unemployment rate remained steady at 7.6% for June, according to Friday's employment reports. Employers added 195,000 jobs for the month, and the prior two months were revised upward by 70,000 jobs. The year-to-date average now stands at 202,000 new jobs per month, a healthy but non-impressive figure. The government's broadest measure of unemployment, which includes "marginally attached" members of the labor force, actually rose from 13.8% to 14.3% in June.

Bond prices fell immediately after the release of the reports. Analysts and traders believe the employment gains were sufficient to keep the Fed on track for tapering its bond purchase program later this year. Consensus is now building for the Fed to begin reducing its purchases at its September 18 meeting. This is sooner than the previous expectation of a year-end timeframe, but this forward revision did not spook the stock market. Perhaps investors are starting to see tapering for what it is – a sign the economy is truly improving.

In the meantime, earnings season gets underway today, and we'll get another look at whether or not corporations are improving their financial conditions over the next few weeks. There has been a noticeable absence of warnings this quarter, or such warnings were drowned out by tapering talk. If it is the former, then the stage is set for potential upside surprises.

The **ETF Dividend & Income** model was unchanged for the week and is up 6.1% year-to-date. Our four Guggenheim BulletShares ETFs went ex-dividend on Monday (BSJD \$0.047, BSJE \$0.073, BSJF \$0.088, and BSJG \$0.085). Vanguard Dividend Appreciation (VIG) was the top performer in this model for the holiday-shortened week with a 1.5% gain. PowerShares CEF Income Composite (PCEF) held back the overall performance with its 2.2% decline.

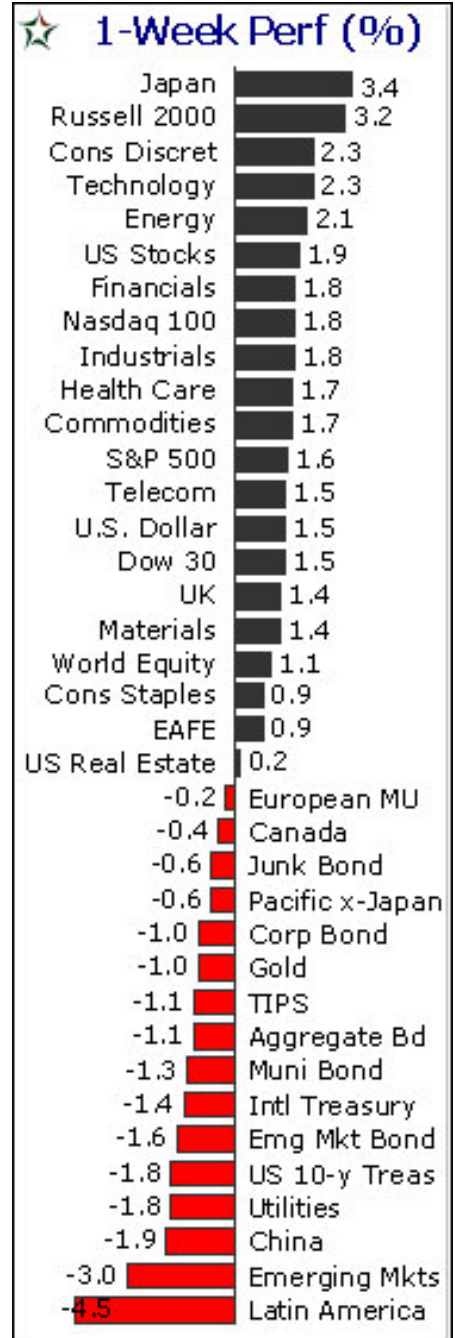
The **ETF Strategic Allocation** model added 0.2% for the week and is up 0.2% year-to-date. Four of our bond holdings went ex-dividend on Monday: Vanguard Total Bond Market (BND) \$0.166912, SPDR Barclays Short Term High Yield Bond (SJNK) \$0.133703, SPDR Barclays International Treasury Bond (BWX) \$0.076317, and iShares TIPS Bond (TIP) \$0.148910. Small cap stocks were excellent performers for the week, and Vanguard Small Cap (VB) jumped 2.8%. Vanguard Total Stock Market (VTI) also posted great results with a 1.9% advance. Weakness was evident in less developed parts of the world, reflected by the 2.8% slide in iShares Core Emerging Markets (IEMG).

The **ETF Tactical Growth** model gained 1.3% for the week and is up 7.4% year-to-date. Two of our holdings had their quarterly dividends last week instead of late June. iShares Russell 1000 Value (IWD) went ex-dividend at \$0.471359 per share and iShares Russell Micro-Cap (IWC) at \$0.18944. The smaller the better was the theme for the week, and iShares Russell Micro-Cap jumped 3.3%. Current market leadership resides with U.S. small cap stocks. To increase our exposure to this segment, we will buy a 14% allocation in WisdomTree Small Cap Earnings Fund (EES), an ETF that weights U.S. small cap stocks by their core earnings.

The **ETF Sector Rotation** model advanced 1.8% for the week and is up 6.8% year-to-date. All four of this model's holdings posted healthy gains led by iShares US Financial Services (IYG) and its 2.7% advance. Guggenheim S&P Equal Weight Consumer Discretionary (RCD) also produced above-average results with a 2.2% advance.

The next scheduled update is: Monday, July 15, 2013

We may send trade recommendations throughout the week.



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Updated for 07/08/2013 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	OCLN	First Trust NASDAQ Clean Edge Green Energy	77	19	5.4	7.1	67	1.5
2	TAN	Guggenheim Solar	68	14	4.1	3.5	57	2.6
3	PBW	PowerShares Wilderhill Clean Energy	59	14	3.5	5.9	63	1.7
4	KRE	SPDR S&P Regional Banking	59	23	6.1	9.9	78	1.1
5	KBWR	PowerShares KBW Regional Banking	58	24	5.8	10.1	80	1.0
6	GEX	Market Vectors Global Alternative Energy	53	12	2.9	2.9	60	1.4
7	IAT	iShares US Regional Banks	52	17	4.8	7.8	76	1.0
8	KBE	SPDR S&P Bank	48	17	4.8	7.1	73	1.1
9	PBE	PowerShares Dynamic Biotech & Genome	43	27	6.1	5.3	67	1.2
10	KBWB	PowerShares KBW Bank	42	12	3.8	4.4	65	1.2
11	IAI	iShares US Broker-Dealers	41	4	2.2	2.3	63	1.2
12	PSCH	PowerShares S&P SmallCap Health Care	38	10	3.0	3.2	68	0.8
13	PBS	PowerShares Dynamic Media	38	13	3.1	3.9	65	1.1
14	MLPG	ETRACS Alerian Natural Gas MLP ETN	37	2	0.0	5.7	61	1.2
15	FBT	First Trust NYSE Arca Biotechnology	37	17	4.0	5.0	64	1.2
International ETFs								
1	DBJP	db X-trackers MSCI Japan Hedged Equity	42	29	5.6	11.7	63	2.2
2	DXJ	WisdomTree Japan Hedged Equity	28	27	5.2	8.2	59	2.2
3	EWJ	iShares MSCI Japan (\$0 Fid)	24	18	3.4	3.9	59	1.8
4	NKY	MAXIS Nikkei 225	24	18	3.4	5.0	59	1.8
5	JPP	SPDR Russell/Nomura PRIME Japan	21	17	2.9	3.8	60	1.6
6	PGJ	PowerShares Golden Dragon China	20	2	0.0	-0.8	53	1.4
7	ITF	iShares Japan Large-Cap	20	16	2.8	3.6	58	1.8
8	SCJ	iShares MSCI Japan Small-Cap	11	18	2.9	2.9	57	1.9
9	DFJ	WisdomTree Japan Small Cap Dividend	11	15	2.5	2.8	57	1.8
10	EIRL	iShares MSCI Ireland Capped	10	3	0.3	-1.1	50	1.0
11	JSC	SPDR Russell/Nomura Small Cap Japan	10	20	3.3	3.0	56	1.9
12	DBEF	db X-trackers MSCI EAFE Hedged Equity	2	8	1.6	1.1	53	1.1
13	EWN	iShares MSCI Netherlands	2	10	2.0	-1.9	52	0.9
14	DFE	WisdomTree Europe SmallCap Dividend	1	4	0.7	-3.3	45	0.8
15	MDD	SPDR S&P International Mid Cap	1	12	2.6	0.9	55	1.0
Style ETFs								
1	EES	WisdomTree Small Cap Earnings	34	14	3.8	2.5	65	1.0
2	FDM	First Trust DJ Select Microcap	34	16	4.3	2.9	66	0.9
3	DWAS	PowerShares DWA SmallCap Technical Ldrs	33	16	4.1	2.2	63	1.1
4	RZG	Guggenheim S&P SmallCap 600 Pure Growth	33	17	4.0	3.3	67	1.0
5	PZI	PowerShares Zacks Micro Cap	32	14	3.7	2.3	64	0.9
6	IWC	iShares Russell Micro-Cap (\$0 Fid)	32	13	3.3	2.6	65	0.9
7	RZV	Guggenheim S&P SmallCap 600 Pure Value	30	10	2.8	0.4	59	1.1
8	PXSV	PowerShares Fundamental Pure Small Value	30	14	3.7	2.3	63	1.0
9	RWJ	RevenueShares Small Cap	29	13	3.2	1.3	61	1.0
10	RYJ	Guggenheim Raymond James SB-1 Equity	28	4	1.1	2.1	62	0.9
11	PRFZ	PowerShares FTSE RAFI US 1500 Sml-Mid	27	12	2.9	1.6	61	1.0
12	VTWG	Vanguard Russell 2000 Growth	27	11	2.8	2.0	64	0.8
13	SLY	SPDR S&P 600 Small Cap	27	13	3.2	2.1	63	1.0
14	IJR	iShares Core S&P Small-Cap (\$0 Fid)	27	13	3.3	2.4	63	1.0
15	IJS	iShares S&P Small-Cap 600 Value (\$0 Fid)	27	13	3.1	2.0	62	1.0

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Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
Bond ETFs								
1	CWB	SPDR Barclays Convertible Securities	3	4	0.5	-0.1	51	0.5
2	MUAB	iShares 2013 AMT-Free Muni Term	2	-1	-0.3	0.7	59	0.2
3	MUAC	iShares 2014 AMT-Free Muni Term	1	-1	-0.3	0.0	49	0.2
4	FLRN	SPDR Barclays Investment Grade Floating Rate	0	-1	-0.2	-0.4	46	0.1
5	BSJD	Guggenheim BulletShares 2013 HY Bond	0	-1	-0.2	0.1	47	0.1
6	BIL	SPDR Barclays 1-3 Month T-Bill	0	0	0.0	0.0	53	0.0
7	BSCE	Guggenheim BulletShares 2014 Corp Bond	0	0	0.0	0.0	50	0.1
8	FLOT	iShares Floating Rate Bond (\$0 Fid)	0	0	-0.1	-0.2	35	0.0
9	GSY	Guggenheim Enhanced Short Duration Bond	0	-1	-0.2	-0.2	33	0.0
10	PVI	PowerShares VRDO Tax-Free Weekly	0	0	0.0	0.1	54	0.1
11	SHV	iShares Short-Term Treasury Bond	0	0	0.0	0.0	57	0.0
12	VGSH	Vanguard Short-Term Government	-1	0	-0.1	-0.2	40	0.0
13	SCHO	Schwab Short-Term U.S. Treasury	-1	0	-0.1	-0.2	34	0.0
14	SHY	iShares 1-3 Year Treasury Bond (\$0 Fid)	-1	0	-0.1	-0.2	37	0.0
15	TUZ	PIMCO 1-3 Year U.S. Treasury Index	-1	0	-0.1	-0.1	40	0.0
Leveraged & Inverse ETFs								
1	DSL	VelocityShares 3x Inverse Silver ETN	270	-58	11.0	41.4	63	6.4
2	DUST	Direxion Daily Gold Miners Bear 3x	236	-88	9.6	59.0	58	8.3
3	DGLD	VelocityShares 3x Inverse Gold ETN	210	-47	1.8	38.7	65	4.4
4	ZSL	ProShares UltraShort Silver	196	-27	9.1	30.4	65	4.4
5	BZQ	ProShares UltraShort MSCI Brazil Capped	193	37	11.4	28.3	75	3.0
6	GLL	ProShares UltraShort Gold	140	-30	1.1	24.8	66	2.9
7	DZZ	PowerShares DB Gold Double Short ETN	139	-22	2.1	23.3	67	2.6
8	UWTI	VelocityShares 3x Long Crude ETN	104	94	22.6	19.7	72	3.3
9	EDZ	Direxion Daily Emerging Markets Bear 3x	103	13	9.4	13.8	59	4.4
10	DTYS	iPath US Treasury 10-year Yield Bear ETN	103	13	7.5	22.5	75	2.2
11	TTT	ProShares UltraPro Short 20+ Year Treasury	97	13	10.7	21.1	69	2.7
12	TMV	Direxion Daily 20+ Year Treasury Bear 3x	93	13	10.3	20.6	69	2.7
13	SBND	PowerShares DB 3x Short 25+ Treas ETN	89	11	9.6	18.7	69	2.6
14	DLBS	iPath US Treasury Long Bond Yield Bear ETN	82	9	6.3	16.3	73	1.8
15	FXP	ProShares UltraShort FTSE China 25	81	1	2.3	10.1	58	2.8
Commodity ETFs								
1	OIL	iPath S&P GSCI Crude Oil Total Return ETN	39	32	7.7	7.1	72	1.2
2	USO	United States Oil Fund	37	29	7.0	6.5	72	1.1
3	USL	United States 12-Month Oil	22	21	4.9	3.4	66	0.9
4	RJN	ELEMENTS Rogers ICI Energy ETN	19	21	4.9	3.6	68	0.9
5	COW	iPath DJ-UBS Livestock Total Return ETN	12	-4	-0.1	1.8	60	0.5
6	BNO	United States Brent Oil	10	21	5.3	2.3	65	0.9
7	DBO	PowerShares DB Oil	7	11	3.5	1.2	59	1.1
8	BAL	iPath DJ-UBS Cotton ETN	6	6	0.9	-4.2	52	1.1
9	GSP	iPath S&P GSCI Total Return Index ETN	2	17	4.1	1.2	61	0.7
10	DBE	PowerShares DB Energy	2	18	4.2	0.4	59	0.8
11	GSG	iShares S&P GSCI Commodity Idx Trust	1	15	3.5	0.8	60	0.7
12	UGA	United States Gasoline	1	28	6.7	1.6	63	1.0
13	TBAR	RBS Gold Trendpilot ETN	-3	0	-0.1	-0.2	44	0.1
14	GSC	GS Connect S&P GSCI Enh Commodity ETN	-5	10	2.1	-0.9	52	0.6
15	RJI	ELEMENTS Rogers ICI Commodity TR ETN	-10	12	2.4	-1.1	51	0.5

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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	78	7	1.8	12.3	70	1.3
2	YCS	ProShares UltraShort Yen	31	21	4.0	12.7	63	1.6
3	DRR	Market Vectors Double Short Euro ETN	13	10	2.9	8.6	65	1.0
4	EUO	ProShares UltraShort Euro	12	9	2.8	8.2	66	0.9
5	UUP	PowerShares DB US Dollar Index Bullish	10	5	1.5	4.6	68	0.4
6	UUP	PowerShares DB 3x Long USD Idx Fut ETN	10	12	4.0	3.8	60	2.3
7	CYB	WisdomTree Chinese Yuan	2	1	0.2	0.0	51	0.1
8	CNY	Market Vectors Chinese Renminbi/USD ETN	-1	-4	-1.1	-0.8	42	0.3
9	FXE	CurrencyShares Euro Trust	-8	-5	-1.4	-4.0	33	0.4
10	FXF	CurrencyShares Swiss Franc Trust	-9	-7	-1.9	-4.3	34	0.5
11	FXB	CurrencyShares British Pound Trust	-12	-7	-2.0	-5.1	29	0.5
12	UDN	PowerShares DB US Dollar Index Bearish	-12	-6	-1.7	-4.8	31	0.5
13	FXS	CurrencyShares Swedish Krona Trust	-15	-1	-1.4	-4.6	37	0.7
14	FXC	CurrencyShares Canadian Dollar Trust	-16	-1	-0.5	-3.8	32	0.4
15	CEW	WisdomTree Emerging Currency	-20	-1	-1.2	-3.2	34	0.5
Fidelity Select Funds								
1	FAVX	Select Automotive (0.75%-30)	48	14	3.2	2.8	64	1.2
2	FSRBX	Select Banking (0.75%-30)	42	15	4.0	5.5	71	1.0
3	FBIOX	Select Biotechnology (0.75%-30)	40	26	5.9	4.4	64	1.4
4	FBMPX	Select Multimedia (0.75%-30)	28	11	2.4	4.1	64	1.0
5	FSDAX	Select Defense & Aerospace (0.75%-30)	28	8	2.5	2.2	61	1.0
6	FBSOX	Select IT Services (0.75%-30)	28	8	2.9	2.0	62	0.9
7	FSRPX	Select Retailing (0.75%-30)	26	9	2.0	1.5	62	0.8
8	FSCPX	Select Consumer Discretionary (0.75%-30)	26	10	2.5	2.6	64	0.9
9	FSPCX	Select Insurance (0.75%-30)	25	5	1.6	1.1	60	1.0
10	FSELX	Select Electronics (0.75%-30)	25	6	1.7	2.2	60	1.0
11	FSPHX	Select Health Care (0.75%-30)	25	12	3.0	1.7	60	1.0
12	FSCSX	Select Software & Cmptr Svcs (0.75%-30)	25	6	1.8	1.6	62	0.8
13	FSVLX	Select Consumer Finance (0.75%-30)	24	9	2.5	1.6	61	0.9
14	FSHCX	Select Medical Delivery (0.75%-30)	21	0	0.6	0.0	57	0.7
15	FDLSX	Select Leisure (0.75%-30)	18	9	2.1	0.7	59	0.9
Fidelity Non-Select Funds								
1	FJSCX	Japan Smaller Companies (1.5%-90)	33	26	4.8	4.5	59	1.7
2	FOCPX	OTC Portfolio	32	14	3.4	2.5	64	0.9
3	FCPGX	Small Cap Growth (1.5%-90)	30	14	3.4	3.5	66	0.9
4	FDSCX	Stock Selector Small Cap (1.5%-90)	22	12	2.9	2.5	63	0.9
5	FJPNX	Japan (1.5%-90)	20	16	2.9	3.0	58	1.4
6	FFTYX	Fidelity Fifty	20	18	4.1	2.8	62	1.0
7	FTQGX	Focused Stock	20	18	4.1	2.7	61	1.1
8	FDEGX	Growth Strategies (1.5%-90)	19	7	1.8	1.3	59	0.8
9	FMCSX	Mid-Cap Stock (0.75%-30)	19	9	2.2	2.0	60	0.9
10	FSEMXX	Spartan Extended Market Idx (0.75%-90)	19	11	2.5	1.5	60	0.9
11	FLPSX	Low-Priced Stock (1.5%-90)	18	7	1.5	0.6	58	0.8
12	FNCMX	Nasdaq Composite Index Fund (0.75%-90)	18	10	2.3	1.1	60	0.8
13	FSCRX	Small Cap Discovery (1.5%-90) (closed)	18	11	2.6	0.3	59	0.9
14	FLCSX	Large Cap Stock	17	7	2.0	0.3	57	0.9
15	FLVCX	Leveraged Company Stock (1.5%-90)	17	5	1.4	0.2	57	0.8