

Strategy Recommendations

Model / Changes / Holdings	As of 3/1/13	
ETF Dividend & Income Most recent recommendation on 8/27. <i>Current Holdings:</i> AMJ, BSJD, BSJE, BSJF, BSJG, DEM, HDV, PCEF, PID, RWO, SPLV, VIG, Cash	+0.3% wk	+4.8% ytd
ETF Strategic Allocation Most recent recommendation on 12/31. <i>Current Holdings:</i> BND, BWX, IEMG, IXUS, PCY, RWO, SJNK, TIP, USCI, VB, VQT, VTI, Cash	+0.0% wk	+1.3% ytd
ETF Tactical Growth Sell iShares MSCI EAFE Value (EFV). Buy 14% iShares MSCI Australia (EWA). <i>Current Holdings:</i> DXJ, EWA, IWD, IWN, IWS, VFH, VHT, Cash	+0.4% wk	+4.5% ytd
ETF Sector Rotation Most recent recommendation on 2/19. <i>Current Holdings:</i> PXI, VIS, XHB, XLF	+0.3% wk	+5.9% 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

Higher Tax Revenue Already Hitting the Books

The closer the deadline for government sequestration got, the more investors seemed to ignore it. Some government officials tried to create panic, claiming it would cause wide spread devastation and destruction. However, many investors remain skeptical of these claims. After all, the government cuts are not really cuts at all; they are a 2.5% reduction to the growth in spending. Meanwhile, working Americans received a "real cut" of 2% back on January 1 in the form of higher payroll taxes. Is it any wonder that countries like Greece and Italy, that faced huge austerity cuts, are looking at the antics in Washington in bewilderment?

Today, Investor's Business Daily reported that Americans paid a record amount of taxes in January, surpassing the previous peak set in early 2008. The \$2.6 trillion annualized rate of personal income and social security taxes was nearly 25% higher than in late 2009. December is typically the highest month for tax collections during the year due to year-end bonuses. December got an added boost in 2012 as many tried to slide in ahead of 2013's higher tax rates. Still, January's receipts jumped \$113 billion higher than December's total.

The **ETF Dividend & Income** model gained 0.3% for the week and is up 4.8% so far in 2013. PowerShares S&P 500 Low Volatility (SPLV) and iShares High Dividend Equity (HDV) finished the week at new highs. JPMorgan Alerian MLP ETN (AMJ) was this model's best performing holding last week, gaining 0.9% while going ex-dividend at \$0.5131 per share. The four BulletShares ETFs went ex-div on Friday (BSJD @ \$0.067, BSJE @ \$0.080, BSJF @ \$0.099, and BSJG @ \$0.091).

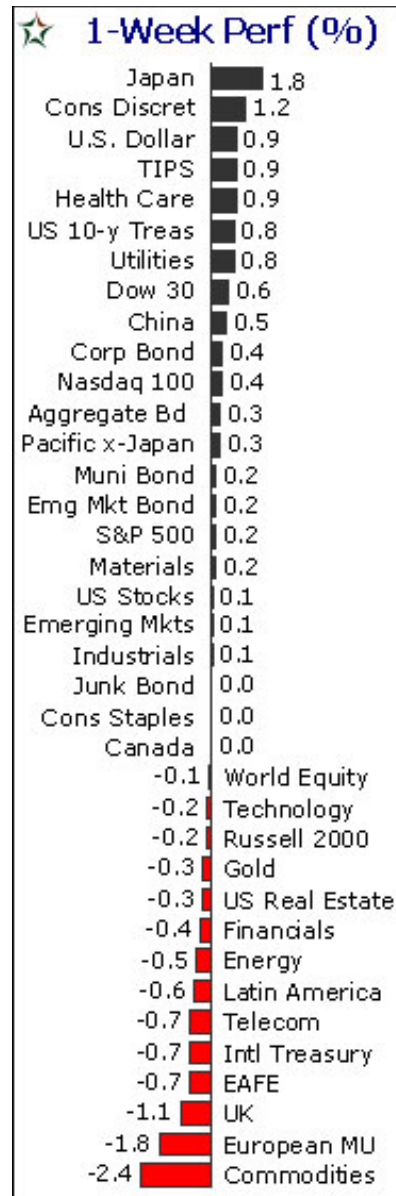
Our **ETF Strategic Allocation** model was unchanged for the week and is up 1.3% for the year. Three of our bond holdings went ex-dividend on Friday (BND @ \$0.155848, SJNK @ \$0.156301, and BWX @ \$0.1657). The iShares Barclays TIPS (TIP) was the model's top performer this week, gaining 0.9%. Its payouts are a combination of current yield and CPI adjustments. It hasn't had any payouts so far this year, but that shouldn't be a concern. In 2012, its first payout didn't occur until April, and distributions totaled \$2.718 for the year.

The **ETF Tactical Growth** model added 0.4% for the week and is up 4.5% year-to-date. Last week we recommended selling SPDR S&P China (GXC) and buying WisdomTree Japan Hedged Equity (DXJ). We netted about a 3.8% profit on GXC, and a late day plunge on Monday allowed us to buy DXJ near its lowest price in about a month. DXJ is already showing a gain of more than 5% in the four days we have owned it. Vanguard Health Care (VHT) also had a good week, adding 0.9% to its gains and closing at a new high. Today, we are recommending the sale of iShares MSCI EAFE Value (EFV). It is our weakest position but still has about a 6% profit. In its place, we are recommending another international ETF: Buy 14% iShares MSCI Australia (EWA).

The **ETF Sector Rotation** model gained 0.3% for the week and is up 5.9% year-to-date. Our position in SPDR S&P Homebuilders ETF (XHB) bounced back 1.6% this week, while SPDR Financial Select Sector (XLF) shed 0.6%, making it the weakest one-week performer.

The next scheduled update is: Monday, March 11, 2013

We may send trade recommendations throughout the week.



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Ron Rowland - Editor

Updated for 03/04/2013 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	IAI	iShares DJ US Broker-Dealers	51	-17	-1.6	-0.1	55	0.9
2	PXE	PowerShares Dynamic Energy Expl & Prod	50	-5	0.4	1.4	60	1.1
3	KBWY	PowerShares KBW Premium Yield Eq REIT	46	3	1.9	4.5	72	0.6
4	ROOF	IQ US Real Estate Small Cap	46	8	3.0	3.9	69	0.7
5	CUT	Guggenheim Timber	42	8	2.0	2.8	61	0.9
6	IYT	iShares Dow Jones Transportation Avg	41	-1	0.7	1.8	62	0.7
7	PXI	PowerShares Dynamic Energy	41	-6	0.3	0.0	57	1.0
8	FXG	First Trust Consumer Staples AlphaDEX	40	3	1.6	3.5	71	0.6
9	KCE	SPDR S&P Capital Markets	39	-11	-1.1	-0.1	54	0.8
10	RHS	Guggenheim S&P Equal Weight Cons Staples	38	-2	0.4	3.8	75	0.5
11	QCLN	First Trust Nasdaq Clean Edge Green Energy	37	-25	-3.5	-0.9	48	1.3
12	BBH	Market Vectors Biotech	36	11	2.8	4.2	68	0.8
13	WOOD	iShares S&P Global Timber & Forestry	36	8	2.0	3.2	62	0.8
14	KIE	SPDR S&P Insurance	35	-6	-0.4	1.7	61	0.7
15	PXJ	PowerShares Dynamic Oil & Gas Svcs	35	-16	-1.7	-1.6	50	1.3
International ETFs								
1	DBJP	db X-trackers MSCI Japan Hedged Equity	59	-2	1.5	0.9	61	1.4
2	EPHE	iShares MSCI Philippines Investable Market	58	-5	0.0	2.8	68	0.6
3	DXJ	WisdomTree Japan Hedged Equity	57	0	1.6	1.6	62	1.3
4	EIDO	iShares MSCI Indonesia Investable Market	55	24	5.7	9.7	81	0.8
5	IDX	Market Vectors Indonesia	50	20	5.2	8.4	80	0.8
6	THD	iShares MSCI Thailand Inv Mkt	46	-4	0.8	3.2	66	0.8
7	PSP	PowerShares Global Listed Private Equity	44	-4	0.1	2.9	60	0.8
8	AUSE	WisdomTree Australia Dividend Fund	41	-3	-0.1	3.7	59	0.8
9	VNM	Market Vectors Vietnam	41	-27	-2.7	-6.2	45	2.2
10	EIRL	iShares MSCI Ireland Cap. Investable Mkt	39	-1	0.2	2.4	56	1.2
11	ECNS	iShares MSCI China Small Cap Index Fund	35	-1	1.6	1.5	55	1.0
12	PIE	PowerShares DWA Emg Mkts Tech Ldrs	35	12	3.0	4.9	70	0.6
13	EWA	iShares MSCI Australia	34	-2	0.2	3.7	61	0.8
14	EWD	iShares MSCI Sweden	34	-11	-1.1	2.1	55	1.2
15	SCJ	iShares MSCI Japan Small Cap	33	14	3.1	4.4	68	0.8
Style ETFs								
1	DWAS	PowerShares DWA SmallCap Technical Ldrs	37	-1	1.2	3.3	63	0.8
2	FPX	First Trust US IPO Index Fund	36	1	1.5	1.6	60	0.8
3	CSD	Guggenheim Spin-Off	35	4	1.6	1.9	62	0.7
4	RWK	RevenueShares Mid Cap	33	-9	-0.6	-0.1	54	0.7
5	CZA	Guggenheim Mid-Cap Core	30	-4	0.1	1.0	60	0.5
6	IWS	iShares Russell MidCap Value	30	-4	0.1	0.8	58	0.6
7	JKI	iShares Morningstar Mid Value	30	-3	0.2	0.5	59	0.6
8	DES	WisdomTree Small Cap Dividend	29	-3	0.1	1.8	58	0.7
9	MDYV	SPDR S&P 400 Mid Cap Value	29	-8	-0.7	0.3	54	0.6
10	PZD	PowerShares Cleantech	29	-7	-0.8	1.3	54	0.8
11	RFV	Guggenheim S&P Midcap 400 Pure Value	29	-12	-1.7	-0.2	51	0.8
12	PZI	PowerShares Zacks Micro Cap	29	-6	-0.2	0.7	56	0.7
13	EMM	SPDR Dow Jones Mid Cap	28	-4	0.2	0.1	55	0.7
14	EZM	WisdomTree Mid Cap Earnings	28	-7	-0.3	-0.2	55	0.6
15	IJJ	iShares S&P MidCap 400 Value (\$0 Fid)	28	-8	-0.8	0.1	54	0.7

Updated for 03/04/2013 am with latest closing data

Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
Bond ETFs								
1	PCEF	PowerShares CEF Income Composite	14	1	0.7	0.5	62	0.2
2	BABZ	PIMCO Build America Bond	13	4	0.9	1.5	63	0.4
3	CWB	SPDR Barclays Convertible Securities	13	0	0.1	-0.6	52	0.4
4	HYLD	AdvisorShares Peritus High Yield	13	-1	0.1	1.0	74	0.1
5	BAB	PowerShares Build America Bonds	11	7	1.5	2.1	72	0.3
6	BSJI	Guggenheim BulletShares 2018 HY Bond	9	-1	-0.1	0.7	57	0.1
7	HYEM	Market Vectors Emg Mkts High Yield Bond	8	0	-0.2	0.1	47	0.3
8	ANGL	Market Vectors Fallen Angel High Yield Bond	7	1	-0.1	0.9	52	0.3
9	BSJG	Guggenheim BulletShares 2016 HY Bond	7	-1	0.0	0.4	54	0.1
10	BSJH	Guggenheim BulletShares 2017 HY Bond	7	-1	-0.2	0.7	55	0.1
11	DSUM	PowerShares Chinese Yuan Dim Sum Bond	7	1	0.3	0.5	61	0.1
12	EBND	SPDR Barclays Emerging Markets Local Bond	7	-3	-0.4	-0.2	49	0.3
13	HYG	iShares iBoxx \$ High Yield Corp Bond (\$0 Fid)	7	0	0.0	0.8	53	0.2
14	JNK	SPDR Barclays High Yield Bond	7	0	0.0	1.0	53	0.2
15	BSJF	Guggenheim BulletShares 2015 HY Bond	6	-1	-0.1	0.6	53	0.1
Leveraged & Inverse ETFs								
1	DUST	Direxion Daily Gold Miners Bear 3x	238	-6	6.1	46.0	71	4.1
2	DSLX	VelocityShares 3x Inverse Silver ETN	108	-6	1.8	32.2	67	3.1
3	SOXL	Direxion Daily Semiconductor Bull 3x	87	-3	-0.1	3.5	54	3.3
4	DGLD	VelocityShares 3x Inverse Gold ETN	80	-15	0.4	18.7	66	2.1
5	ZSL	ProShares UltraShort Silver	76	-6	0.7	19.8	66	2.1
6	CURE	Direxion Daily Healthcare Bull 3x	72	-1	2.4	4.3	63	1.5
7	FAS	Direxion Daily Financial Bull 3x	69	-20	-1.7	1.5	54	2.2
8	TNA	Direxion Daily Small Cap Bull 3x	67	-17	-0.7	2.1	55	2.3
9	URTY	ProShares UltraPro Russell2000	67	-17	-0.6	2.0	55	2.2
10	MIDU	Direxion Daily Mid Cap Bull 3x	64	-20	-2.2	-1.3	52	2.1
11	UMDD	ProShares UltraPro S&P MidCap400	64	-18	-1.5	-1.4	52	2.0
12	UDOW	ProShares UltraPro Dow30	63	4	2.0	3.8	61	1.6
13	ERX	Direxion Daily Energy Bull 3x	56	-14	-1.2	-1.3	53	2.5
14	DZZ	PowerShares DB Gold Double Short ETN	55	-7	0.8	12.0	67	1.3
15	UXI	ProShares Ultra Industrials	55	-7	0.0	2.6	57	1.3
Commodity ETFs								
1	BAL	iPath DJ-UBS Cotton ETN	40	7	2.8	3.5	63	0.9
2	UGA	United States Gasoline Fund LP	15	-28	-4.3	-2.1	46	1.0
3	PALL	ETFS Physical Palladium Shares	14	-13	-2.6	-4.4	40	1.0
4	BNO	United States Brent Oil Fund	0	-19	-3.2	-5.0	34	0.7
5	DCNG	iPath Seasonal Natural Gas ETN	0	17	3.1	1.3	55	0.8
6	GASZ	ETRACS Natural Gas Fut. Contango ETN	-1	-7	-1.0	-1.3	40	0.3
7	LSC	ELEMENTS S&P Commodity Trends Idr ETN	-2	-8	-1.5	-0.5	43	0.4
8	UNL	United States 12 Month Natural Gas Fund	-5	20	3.2	1.8	54	1.1
9	RJN	ELEMENTS Rogers ICI Energy ETN	-7	-15	-2.5	-4.9	31	0.6
10	DBE	PowerShares DB Energy	-8	-19	-3.6	-5.4	29	0.6
11	UNG	United States Natural Gas Fund LP	-8	25	3.9	2.9	54	1.5
12	SOYB	Teucrium Soybean Fund	-11	-3	-0.2	-3.1	46	0.7
13	RJI	ELEMENTS Rogers ICI Commodity TR ETN	-12	-9	-1.6	-4.5	24	0.4
14	GSC	GS Connect S&P GSCI Enh Commodity ETN	-13	-13	-2.4	-5.1	26	0.4
15	GSG	iShares S&P GSCI Commodity Idx Trust	-13	-12	-2.3	-5.1	26	0.4

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Rank	Ticker	Name	RSM	RSM Chg	1-Wk %Chg	15-Day %Chg	RSI 14	S-T %Vlty
Currency ETFs								
1	YCS	ProShares UltraShort Yen	60	-15	0.1	-0.4	59	1.4
2	UUPT	PowerShares DB 3x Long USD Idx Fut ETN	34	11	2.6	7.6	75	0.8
3	BZF	WisdomTree Brazilian Real	15	-4	-0.4	-0.3	55	0.4
4	UUP	PowerShares DB US Dollar Index Bullish	11	4	0.9	2.5	76	0.3
5	DRR	Market Vectors Double Short Euro ETN	10	15	3.0	6.1	66	0.9
6	EUO	ProShares UltraShort Euro	9	14	2.5	5.7	66	0.9
7	DBV	PowerShares DB G10 Currency Harvest	7	-5	-0.5	-0.1	51	0.2
8	FXS	CurrencyShares Swedish Krona Trust	6	-4	-0.1	-0.2	48	0.5
9	ICI	iPath Optimized Currency Carry ETN	2	1	0.2	1.1	54	0.3
10	CEW	WisdomTree Emerging Currency	1	-3	-0.7	-0.8	40	0.3
11	CNY	Market Vectors Chinese Renminbi/USD ETN	1	2	0.5	0.5	57	0.1
12	CYB	WisdomTree Chinese Yuan	1	0	0.1	0.1	53	0.0
13	ICN	WisdomTree Indian Rupee	1	-4	-1.6	-2.2	42	0.5
14	FXE	CurrencyShares Euro Trust	-6	-7	-1.2	-2.8	33	0.4
15	FXA	CurrencyShares Australian Dollar Trust	-8	-4	-1.4	-0.8	37	0.4
Fidelity Select Funds								
1	FSRFX	Select Transportation (0.75%-30)	39	-1	0.8	2.1	63	0.7
2	FSLBX	Select Brokerage & Inv Mgmt (0.75%-30)	37	-7	-0.3	0.8	56	0.8
3	FSAIX	Select Air Transportation (0.75%-30)	32	-1	0.8	0.4	59	0.7
4	FCYIX	Select Industrials (0.75%-30)	32	-4	0.0	1.2	58	0.7
5	FSPCX	Select Insurance (0.75%-30)	32	-4	-0.2	1.8	61	0.6
6	FBIOX	Select Biotechnology (0.75%-30)	29	8	2.1	3.6	64	0.8
7	FSAVX	Select Automotive (0.75%-30)	28	-2	0.9	0.3	54	0.9
8	FBSOX	Select IT Services (0.75%-30)	28	-1	0.7	1.3	59	0.8
9	FBMPX	Select Multimedia (0.75%-30)	28	2	1.5	2.1	60	0.7
10	FSELX	Select Electronics (0.75%-30)	27	-5	-0.7	0.7	53	1.1
11	FSUTX	Select Utilities (0.75%-30)	25	2	0.9	1.5	64	0.5
12	FSHOX	Select Construction & Housing (0.75%-30)	24	0	0.8	0.8	53	0.9
13	FSMEX	Select Medical Equip & Sys (0.75%-30)	24	0	0.9	-0.1	59	0.5
14	FDFA	Select Consumer Staples (0.75%-30)	23	-5	-0.3	1.4	64	0.4
15	FDLSX	Select Leisure (0.75%-30)	23	5	1.2	-0.1	59	0.7
Fidelity Non-Select Funds								
1	FJSCX	Japan Smaller Companies (1.5%-90)	38	13	3.4	3.4	75	0.6
2	FSCRX	Small Cap Discovery (1.5%-90) (closed)	37	-8	-0.3	0.9	58	0.7
3	FCPVX	Small Cap Value (1.5%-90) (closed)	37	-6	0.0	1.3	59	0.8
4	FJPNX	Japan (1.5%-90)	34	5	1.5	2.3	66	0.6
5	FSMVX	Mid Cap Value (0.75%-30)	34	-3	0.5	0.9	61	0.7
6	FNORX	Nordic (1.5%-90)	32	-6	-0.1	1.8	57	1.0
7	FMEIX	Mid Cap Enhanced Index (0.75%-30)	30	-1	0.6	0.9	60	0.7
8	FTXMX	Tax Managed Stock (closed)	30	0	0.7	1.5	60	0.8
9	FDVLX	Value	30	-3	0.1	0.9	58	0.7
10	FOTTX	130/30 Large Cap (closed)	29	1	1.2	2.1	61	0.7
11	FPBFX	Pacific Basin (1.5%-90)	29	3	1.1	2.5	68	0.4
12	FLVEX	Large Cap Value Enhanced Index	27	-3	0.2	1.1	59	0.6
13	FMCSX	Mid-Cap Stock (0.75%-30)	27	1	0.7	1.5	61	0.7
14	FDEQX	Disciplined Equity	26	0	0.7	1.9	61	0.7
15	FLVCX	Leveraged Company Stock (1.5%-90)	26	-3	0.4	-0.2	55	0.7