

Variation #3 - Adding International Funds

This strategy uses a six month relative strength report and rotates every other week. Current holdings must remain in the top half of the report. International funds are included in the ETF choices. The strategy is featured in the book, *Exchange Traded Profits: Cashing in on new ETF trading methods*.

Percentage Returns

	<u>ETF Trading</u>	<u>S&P 500 Index</u>
1998	41.60	26.67
1999	54.92	19.53
2000	5.28	-10.14
2001	1.49	-13.04
2002	-15.26	-23.37
2003	49.40	26.38
2004	14.38	8.99
2005	11.88	3.00
2006	15.29	13.62
2007	20.80	3.53
2008	-42.13	-38.49
2009	30.55	23.45
2010	16.11	12.78
2011	-1.14	-0.01
2012	<u>10.19</u>	<u>12.00</u>
ARO	12.03	2.65

* Through 03/31/12

6.4 round trip trades with an average holding period of 108 days.

Assumptions

The ETFs used in this backtest was IVE, SPY, QQQQ, MDY, IWM, IJS, IJT, EFA, EEM.

There are many assumptions to our tests. The percentage returns represent a hypothetical back test, instead of actual performance. The back test's returns and other figures have not been audited but are based upon information obtained from public sources believed to be reliable. Since no funds were managed using the strategies during this period, the impact that economic and market factors might have had on the trading cannot be represented. Returns exclude dividends.

The strategies are managed with a view toward capital appreciation with risk levels greater than the S&P 500. In the style index testing, many of the ETFs were not yet available to purchase at the beginning date of the back test. When the ETF wasn't available, the back test used the ETF's benchmark index as a substitute. The back test used price data from the actual ETFs once they became available.

As with any strategy, **past performance does not guarantee future results or that losses will not occur.**

Individual Trades

<u>Ticker</u>	<u>Segment</u>	<u>Buy Date</u>	<u>Sell Date</u>	<u>% Change</u>	<u>Days Held</u>
IJT	Small Cap Growth	12/31/1997	4/24/1998	11.34	114
IVE	Large Cap Value	12/31/1997	1/30/1998	-1.33	30
MDY	Mid Cap Index	1/30/1998	2/13/1998	4.96	14
QQQQ	Large Cap Growth	2/13/1998	3/13/1998	2.88	28
MDY	Mid Cap Index	3/13/1998	3/27/1998	0.91	14
SPY	Large Cap Index	3/27/1998	5/7/1999	23.15	406
QQQQ	Large Cap Growth	4/24/1998	5/5/2000	192.52	742
IVE	Large Cap Value	5/7/1999	5/21/1999	-1.42	14
IWM	Small Cap Index	5/21/1999	7/2/1999	1.65	42
SPY	Large Cap Index	7/2/1999	7/30/1999	-4.77	28
IJT	Small Cap Growth	7/30/1999	10/8/1999	-6.93	70
EFA	Int'l Developed Mkts	10/8/1999	12/3/1999	5.22	56
IJS	Small Cap Value	12/3/1999	4/20/2000	7.75	139
IVE	Large Cap Value	4/20/2000	5/5/2000	-1.25	15
IJS	Small Cap Value	5/5/2000	7/28/2000	-4.06	84
MDY	Mid Cap Index	5/5/2000	4/6/2001	-8.31	336
IJT	Small Cap Growth	7/28/2000	8/9/2002	-18.01	742
IVE	Large Cap Value	4/6/2001	5/18/2001	13.32	42
MDY	Mid Cap Index	5/18/2001	11/16/2001	-10.34	182
QQQQ	Large Cap Growth	11/16/2001	12/28/2001	2.44	42
EEM	Int'l Emerging Mkts	12/28/2001	8/23/2002	-4.35	238
EFA	Int'l Developed Mkts	8/9/2002	11/1/2002	-6.27	84
IJS	Small Cap Value	8/23/2002	11/15/2002	-6.74	84
QQQQ	Large Cap Growth	11/1/2002	5/2/2003	12.00	182
SPY	Large Cap Index	11/15/2002	12/27/2002	-4.40	42
MDY	Mid Cap Index	12/27/2002	1/24/2003	-2.10	28
EEM	Int'l Emerging Mkts	1/24/2003	3/21/2003	-7.35	56
SPY	Large Cap Index	3/21/2003	4/17/2003	-0.12	27
EEM	Int'l Emerging Mkts	4/17/2003	5/30/2003	10.52	43
IWM	Small Cap Index	5/2/2003	2/20/2004	42.14	294
QQQQ	Large Cap Growth	5/30/2003	6/27/2003	0.13	28
EEM	Int'l Emerging Mkts	6/27/2003	4/30/2004	31.96	308
EFA	Int'l Developed Mkts	2/20/2004	3/5/2004	0.98	14
IJS	Small Cap Value	3/5/2004	6/10/2004	-2.56	97
EFA	Int'l Developed Mkts	4/30/2004	5/28/2004	1.14	28
IJT	Small Cap Growth	5/28/2004	7/23/2004	-3.71	56
SPY	Large Cap Index	6/10/2004	6/25/2004	-0.45	15
IJS	Small Cap Value	6/25/2004	1/7/2005	5.93	196
IVE	Large Cap Value	7/23/2004	10/1/2004	6.03	70
IWM	Small Cap Index	10/1/2004	10/15/2004	-2.66	14
EEM	Int'l Emerging Mkts	10/15/2004	5/26/2006	67.59	
EFA	Int'l Developed Mkts	1/7/2005	1/21/2005	-0.56	14
IJT	Small Cap Growth	1/21/2005	4/15/2005	-3.54	84
EFA	Int'l Developed Mkts	4/15/2005	5/27/2005	0.79	42
MDY	Mid Cap Index	5/27/2005	7/8/2005	4.53	42
IJS	Small Cap Value	7/8/2005	8/19/2005	-1.19	42
QQQQ	Large Cap Growth	8/19/2005	9/2/2005	-0.13	14
EFA	Int'l Developed Mkts	9/2/2005	11/25/2005	1.83	84
QQQQ	Large Cap Growth	11/25/2005	1/20/2006	-1.53	56
EFA	Int'l Developed Mkts	1/20/2006	2/3/2006	3.07	14
IWM	Small Cap Index	2/3/2006	5/12/2006	2.62	98
EFA	Int'l Developed Mkts	5/12/2006	6/9/2006	-9.83	28
IJS	Small Cap Value	5/26/2006	7/21/2006	-4.35	56
IVE	Large Cap Value	6/9/2006	11/10/2006	10.07	154

<u>Ticker</u>	<u>Segment</u>	<u>Buy Date</u>	<u>Sell Date</u>	<u>% Change</u>	<u>Days Held</u>
EFA	Int'l Developed Mkts	7/21/2006	10/13/2006	9.78	84
QQQQ	Large Cap Growth	10/13/2006	2/2/2007	4.08	112
EEM	Int'l Emerging Mkts	11/10/2006	4/11/2008	31.48	518
IJS	Small Cap Value	2/2/2007	2/16/2007	0.78	14
MDY	Mid Cap Index	2/16/2007	7/6/2007	6.39	140
EFA	Int'l Developed Mkts	7/6/2007	8/17/2007	-9.56	42
QQQQ	Large Cap Growth	8/17/2007	2/1/2008	-1.53	168
MDY	Mid Cap Index	2/1/2008	8/15/2008	0.15	196
EFA	Int'l Developed Mkts	4/11/2008	4/25/2008	4.12	14
IJT	Small Cap Growth	4/25/2008	5/9/2008	-0.28	14
EEM	Int'l Emerging Mkts	5/9/2008	6/6/2008	-1.55	28
IJT	Small Cap Growth	6/6/2008	11/21/2008	-44.46	168
IWM	Small Cap Index	8/15/2008	11/21/2008	-45.89	98
SPY	Large Cap Index	11/21/2008	12/19/2008	11.02	28
IVE	Large Cap Value	11/21/2008	1/16/2009	5.08	56
IJS	Small Cap Value	12/19/2008	1/30/2009	-11.24	42
MDY	Mid Cap Index	1/16/2009	6/5/2009	15.68	140
QQQQ	Large Cap Growth	1/30/2009	5/8/2009	17.79	98
EEM	Int'l Emerging Mkts	5/8/2009	1/15/2010	32.80	252
QQQQ	Large Cap Growth	6/5/2009	8/14/2009	7.75	70
EFA	Int'l Developed Mkts	8/14/2009	11/20/2009	8.02	98
QQQQ	Large Cap Growth	11/20/2009	12/31/2009	5.32	41
MDY	Mid Cap Index	12/31/2009	7/30/2010	4.74	211
IJT	Small Cap Growth	1/15/2010	4/9/2010	8.47	84
IJS	Small Cap Value	4/9/2010	6/18/2010	-6.45	70
IJT	Small Cap Growth	6/18/2010	8/13/2010	-7.86	56
EEM	Int'l Emerging Mkts	7/30/2010	12/3/2010	13.89	126
QQQQ	Large Cap Growth	8/13/2010	8/27/2010	-1.45	14
MDY	Mid Cap Index	8/27/2010	9/24/2010	8.24	28
QQQQ	Large Cap Growth	9/24/2010	12/17/2010	9.79	84
IJT	Small Cap Growth	12/3/2010	10/21/2011	-0.23	322
IWM	Small Cap Index	12/17/2010	5/20/2011	6.20	154
MDY	Mid Cap Index	5/20/2011	7/29/2011	-4.45	70
QQQ	Large Cap Growth	7/29/2011	12/30/2011	-3.74	154
SPY	Large Cap Index	10/21/2011	11/4/2011	1.19	14
IJS	Small Cap Value	11/4/2011			
IVE	Large Cap Value	12/30/2011	1/27/2012	5.45	28
IWM	Small Cap Index	1/27/2012	3/9/2012	2.36	42
QQQ	Large Cap Growth	3/9/2012			