

Sector ETFs with Style Index Strategy

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

Percentage Returns

<u>Year</u>	<u>Sector Trading</u>	<u>S&P 500 Index</u>
2002	-25.43	-23.37
2003	82.73	26.38
2004	6.26	8.99
2005	35.74	3.00
2006	21.52	13.62
2007	40.48	3.53
2008	-36.97	-38.49
2009	20.72	23.45
2010	4.53	12.78
2011	-7.16	-0.01
2012	<u>5.61</u>	<u>12.00</u>
Avg. =	9.83	2.01

Through 03/31/12

4.6 round trip trades with an average holding period of 163 days.

Assumptions

Here are the ETFs used in the test:

2002: ICF;IYM;IYC;IYK;IYE;IYF;IYG;IYH;IYJ;IYR;IYW;IYZ;IDU;IGE;IGN;IGW;IGV;IGM;IBB

2003: ICF;IYM;IYC;IYK;IYE;IYF;IYG;IYH;IYJ;IYR;IYW;IYZ;IDU;IGE;IGN;IGW;IGV;IGM;IBB;
EZU;IEV;EPP;ITF;ILF

2007: ICF;IYM;IYC;IYK;IYE;IYF;IYG;IYH;IYJ;IYR;IYW;IYZ;IDU;IGE;IGN;IGW;IGV;IGM;IBB;
EZU;IEV;EPP;ITF;ILF;IEZ;IHF;IHE;IEO;ITA;IHI;IAK;IAI;IYT;IAT

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.

The strategies are managed with a view toward capital appreciation with risk levels greater than the S&P 500. As with any strategy, **past performance does not guarantee future results or that losses will not occur.**

Individual Trades

<u>Ticker</u>	<u>Sector</u>	<u>Buy Date</u>	<u>Sell Date</u>	<u>% Change</u>	<u>Days Held</u>
IBB	Biotechnology	12/31/01	01/25/02	-10.76	25
IYH	Healthcare	12/31/01	02/08/02	-4.03	39
IYK	Noncyclical	01/25/02	03/08/02	4.66	42
IGW	Semiconductor	02/08/02	02/22/02	-5.79	14
IYM	Basic Materials	02/22/02	08/23/02	-9.62	182

<u>Ticker</u>	<u>Sector</u>	<u>Buy Date</u>	<u>Sell Date</u>	<u>% Change</u>	<u>Days Held</u>
IGW	Semiconductor	03/08/02	04/19/02	-8.01	42
IYK	Noncyclical	04/19/02	11/15/02	-13.42	210
IYH	Healthcare	08/23/02	11/15/02	-0.70	84
IGN	Networking	11/15/02	12/26/03	98.24	406
IGV	Software	11/15/02	07/25/03	16.88	252
IGW	Semiconductor	07/25/03	12/26/03	27.78	154
ILF	Latin America	12/26/03	04/30/04	-3.42	126
IYM	Basic Materials	12/26/03	01/23/04	-3.90	28
IGN	Networking	01/23/04	03/19/04	-10.25	56
IYE	Energy	03/19/04	01/07/05	18.79	294
IYK	Noncyclical	04/30/04	07/23/04	-5.82	84
IGE	Natural Resources	07/23/04	12/10/04	11.37	140
ILF	Latin America	12/10/04	05/26/06	94.01	532
EZU	EMU	01/07/05	05/27/05	1.36	140
IYE	Energy	05/27/05	11/11/05	10.55	168
ITF	Topix 150	11/11/05	06/09/06	14.25	210
EZU	EMU	05/26/06	10/13/06	7.94	140
ICF	Realty Majors	06/09/06	03/30/07	23.97	294
IGV	Software	10/13/06	12/08/06	-1.73	56
ILF	Latin America	12/08/06	08/01/08	40.91	602
IEZ	Oil Equip & Services	03/30/07	12/07/07	31.06	252
IHI	Medical Devices	12/07/07	04/25/08	-7.95	140
IEZ	Oil Equip & Services	04/25/08	08/15/08	-10.00	112
IBB	Biotechnology	08/01/08	04/09/09	-25.29	251
IGV	Software	08/15/08	12/05/08	-40.26	112
IAT	Regional Banks	12/05/08	01/16/09	-27.24	42
IHE	Pharmaceuticals	01/16/09	04/09/09	-5.20	83
IGN	Networking	04/09/09	10/23/09	34.19	197
ILF	Latin America	04/09/09	01/29/10	42.88	295
EPP	Pacific Ex-Japan	10/23/09	01/29/10	-10.75	98
IAT	Regional Banks	01/29/10	07/16/10	-1.72	168
IHE	Pharmaceuticals	01/29/10	03/12/10	3.25	42
ITA	Aerospace & Defense	03/12/10	07/02/10	-13.53	112
ICF	Realty Majors	07/02/10	11/19/10	17.11	140
IYR	Real Estate	07/16/10	11/19/10	12.05	126
IEZ	Oil Equip & Services	11/19/10	05/20/11	17.78	182
IYE	Energy	11/19/10	05/06/11	17.00	168
IHF	Healthcare Providers	05/06/11	08/12/11	-17.88	98
IHI	Medical Devices	05/20/11	10/21/11	-13.97	154
IHE	Pharmaceuticals	08/12/11	11/04/11	7.45	84
IDU	Utilities	10/21/11	01/27/12	0.36	98
IEO	Oil & Gas - Expl.	11/04/11	12/16/11	-10.95	42
IHE	Pharmaceuticals	12/16/11			
ITB	Construction & Hsg.ng	01/27/12			