

# The ETF Strategist

Your Independent Guide to Profitable ETF Investing

Vol. 1, Issue 1 / September 2007

## Welcome to The ETF Strategist!



DAVID FRAZIER

I am very excited about this service, and hope you are too! There has never been an easier way to invest in the financial markets.

With ETFs, you can make money whether stock prices are going up, down, or sideways. And you can protect your portfolio against losses when other investors are having a tough time sleeping at night.

You can use ETFs to conservatively invest in a broadly diversified portfolio of stocks, bonds, real estate, precious metals, and commodities or to aggressively invest only in those sectors of the market that appear to offer the biggest returns.

In this inaugural edition of The ETF Strategist, you'll see how our service works and how I go about selecting ETFs. I'll then introduce you to our model portfolios and show you how to get started right away, whether you have only a few hundred dollars or several million to invest. But first, let's review some basic information about ETFs.

### The Power of ETFs

ETFs are essentially mutual funds that trade on a stock exchange — ETF stands for Exchange-Traded Funds. They are passively managed portfolios of stocks, bonds, commodities or other assets that strive to generate the same investment return as a particular market index.

For example, the Diamonds Trust ETF (DIA) seeks to earn the same return as the Dow Jones industrial average by holding the same 30 stocks that comprise this well-known index. Likewise, the Standard & Poor's Depository Trust ETF (SPY) strives to generate the same return as the S&P 500 index by holding the same 500 stocks that make up the S&P 500.

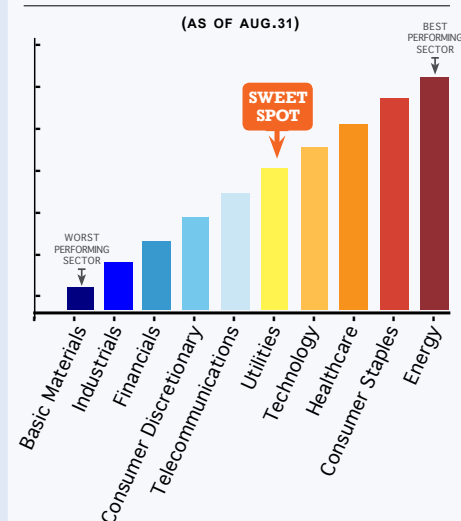
ETFs are more tax-efficient than most mutual funds and they don't require a minimum investment to get started — someone looking to invest as little as \$100 can buy an ETF, rather than the \$2500 minimum required by many mutual funds.

There are currently more than 500 ETFs from which to choose and the number is growing every day. ETFs cover practically every sector of the market, including small-, mid-, and large-cap stocks; growth and value stocks; foreign stocks; precious metals; real estate; foreign currencies; commodities such as oil and steel; and every major economic sector (basic materials, consumer goods, healthcare, technology, telecommunications, etc.).

### IN THIS ISSUE

- ▶ How to Profit During Both Bull and Bear Markets Using ETFs 1
- ▶ How This Service Works 2
- ▶ How I Select ETFs 3
- ▶ What Our Models Are Telling Us Now 4
- ▶ Model Portfolios and Recommended ETFs 5
- ▶ Closing Thoughts & Actions to Take Now 9

### TOP PERFORMING SECTORS



This chart shows the relative performance of the major economic sectors over the past month. The "sweet spot" signifies a sector we expect to be among the top performers over the next three to six months.

There are also ETFs that only hold the securities of companies based in certain countries or regions of the world, such as in China, India, Brazil and other emerging markets. There are even ETFs that increase in value when stock prices in general are declining.

Unlike mutual funds, ETFs can be bought and sold whenever the financial markets are open for trading. You can buy ETFs on margin, place stop-loss orders on them, and even short them.

There are now so many different types of ETFs that you can profit from them in practically any investment environment — when semiconductor stocks are on the rise, you can profit by investing in semiconductor ETFs that mirror those gains; when Chinese stocks are advancing, you can go along for the ride by investing in Chinese ETFs; and when the U.S. housing market is collapsing, you can profit by investing in ETFs that increase in value when housing stocks decline.

As you can see, ETFs offer countless investment opportunities. The tough part is picking the right ones at the right time, and that's exactly why I started this service — to show you how to make money with ETFs in virtually any investment environment.

## How This Service Works

With The ETF Strategist, you'll get everything you need to begin profiting immediately from the tremendous opportunities ETFs offer.

You'll get a monthly newsletter that will highlight the asset classes, economic sectors, and industries poised to generate the biggest gains over the coming months, as well as Action Alerts (sent via email) of exactly when and at what price ranges to buy the best

ETFs in those market segments.

I'll also send you Profit Bulletins (via email) during volatile market conditions and will keep you posted on any significant changes in the readings on my investment models.

In addition, you'll get important information on sectors and industries that may have previously been lagging the market but are poised to break into the top-performing groups. And, you'll receive information on one or two ETFs that I'm closely monitoring in those sectors/industries.

I'll regularly share my thoughts with you on the current investment environment, based on what my investment models are telling me, and I'll provide you with insights on what my models indicate will occur over the coming months, rather than merely what has already happened. This is a very important distinction, because big gains in the financial markets are made by looking ahead, not by looking in the rear-view mirror.

Of utmost importance, you'll get comprehensive analysis of the ETFs in our two model portfolios, along with the reasons I'm recommending those ETFs. One of these portfolios is designed for conservative investors, while the other one is structured for aggressive investors.

In every issue of The ETF Strategist, I'll review all of our past investment recommendations and tell you whether you should continue holding previously recommended ETFs, sell them, or add to them. When I think a particular ETF should be bought or sold immediately, I'll send you an Alert notifying you of the recommendation.

As a quick reminder of immediate actions to take, you'll get an at-a-glance summary of our current ETF

### The ETF Advantage

Unlike mutual funds, ETFs can be bought and sold whenever the financial markets are open. You can buy ETFs on margin, place stop-loss orders on them, and even short them.

**About David Frazier** David Frazier's biggest motivator is to provide individual investors with the information to invest smartly and successfully in both bull and bear markets. David has over 20 years of investing experience at prestigious firms such as Dun & Bradstreet and TD Ameritrade, at a boutique private investment bank in Los Angeles, and at William O'Neil & Co., the publishers of Investor's Business Daily.

After being on the inside, David knows that Wall Street brokers are often looking out for their own commission checks, rather than looking out for their clients. With The ETF Strategist, David's number one goal is to provide unbiased, independent advice that makes individual investors — not Wall Street fat cats — handsome profits.

recommendations on the last page of each edition of The ETF Strategist.

Although I don't expect my market forecasts to always be right or my investment recommendations to always be winners (nobody has a crystal ball), my forecasts and recommendations have been quite accurate over the past several years. For example, when stock prices fell sharply in March 2003 and approached their 2000 - 2002 bear market lows, I correctly forecast that the major stock market indices would rally significantly over the ensuing months.

Likewise, when many investment professionals had turned bearish last September, my investment models correctly indicated stock prices would remain in their bull market up-trend and rise significantly through the end of the year.

While working as an equity analyst at a private investment-banking firm in 2003 - 2004, my stock recommendations generated an average annual return of 45.7 percent, in comparison to the S&P 500 index's return (including dividends) of only 19 percent.

Later, while working for a New York-based money management firm and investment newsletter publisher in 2006 through early 2007, 85 percent of my stock recommendations were profitable (with three recommendations rising in excess of 80 percent and one rising 169 percent as of July 31).

## How I Select ETFs

I use three investment models to select ETFs for The ETF Strategist — an Asset & Sector Allocation Model, a Sector & Industry Relative Performance Model, and an ETF Comparison Model.

### Asset & Sector Allocation Model

My Asset & Sector Allocation Model identifies the current stage of the business cycle and forecasts which asset classes and economic sectors are likely to perform best in the next three to six months.

This model consists of 97 financial and economic variables and 13 investor sentiment indicators.

In addition to a vast array of U.S. economic

statistics, the model incorporates economic growth, inflation, and interest rate statistics for developed economies such as Canada, the European Union, and Japan, as well as for several emerging economies including China, India, and Brazil.

The investment sentiment component consists of indicators that reflect investors' expectations about the future direction of stock prices. Examples include State Street Research's Investor Confidence Index and the volume of trading on the New York Stock Exchange versus the OTC Bulletin Board.

As its name implies, this model helps me determine how to properly allocate investments for our model portfolios.

In other words, this model tells me whether we should invest in ETFs comprised of stocks, bonds, commodities, precious metals, or real estate, and whether we should buy ETFs designed to track the performance of the basic materials sector, financial sector, or some other sector.

### Relative Performance Model

My Relative Performance Model ranks the price performance of the major economic sectors (and 130 industries within those sectors), relative to all other sectors and industries, over the most recent one-week, one-month, and three-month periods.

While the Asset & Sector Allocation Model helps forecast which sectors we can expect to perform best in the next three to six months, our Relative

### Asset & Sector Allocation Model

My Asset & Sector Allocation Model identifies the current stage of the business cycle and forecasts which asset classes and economic sectors are likely to perform best in the next three to six months.

## Asset Classes and Market Sectors

<b>Asset Classes</b>	<b>Economic Sectors</b>
•Stocks	•Basic Materials
•Bonds	•Consumer Discretionary
•Commodities	•Consumer Staples
•Precious Metals	•Energy
•Real Estate	•Financials
	•Healthcare
	•Industrials
	•Technology
	•Telecommunications
	•Utilities

Performance Model identifies which sectors and industries are actually performing best at any point in time.

In essence, this model is a momentum model that identifies which sectors and industries have recently been improving, in terms of their relative price performance, and are likely to continue improving over the near-term.

This model can be best understood by thinking of a horse race. Most horse racing enthusiasts would readily welcome an opportunity to place their bets during the final stretch of a race by betting on a horse that ran the first half of a race in the middle of the pack, gradually advanced his position through the third quarter of the race, and then surged towards the front during the final stretch.

### ETF Comparison Model

After I've determined which asset classes, economic sectors, and specific industries are likely to be among the top-performing groups over the next three to six months, I closely review every ETF that has significant holdings in those market segments to determine which ETFs are positioned for the biggest gains.

For example, if my investment models indicate stock prices will rise significantly over the coming months and the steel industry will be the top-performing industry during that period, I review and analyze every ETF that holds positions in the steel industry.

Once I've narrowed down my list of investment candidates, I compare the historical performance of similar ETFs during different market environments and select for recommendation (and inclusion in our model portfolios) those ETFs that I think will generate the highest risk-adjusted investment returns.

For a more detailed description of my ETF Selection Process and to review some important charts that will be included in future editions of *The ETF Strategist*, make sure you read the welcome materials you received when you signed up for *The ETF Strategist*.

### What My Models Are Telling Us Now

After being in positive mode since March 2003, my Asset & Sector Allocation model registered a "sell" signal in July of this year. This means a preponderance

of evidence suggests stock prices in general will trend lower over the coming months and U.S. economic growth will slow considerably.

This is only the seventh time in the past 37 years that my model has registered a "sell" signal. On every previous occasion, the S&P 500 fell between 17 percent and 41 percent over the ensuing months.

Meanwhile, my Relative Performance Model reveals that the consumer staples and healthcare sectors, which tend to be the top-performing sectors during the early-contraction phase of the business cycle, have been the top-performing sectors over the past few weeks.

Hence, the readings on my Relative Performance Model confirm the forecast given by my Asset & Sector Allocation Model: The U.S. economy appears to be in the late expansion/early contraction stage of the business cycle and stock prices in general will likely decline over the coming months.

#### U.S. Economy Contracting

The U.S. economy appears to be in the late expansion/early contraction stage of the business cycle and stock prices in general will likely decline over the coming months.

Although my models indicate commodity prices will also fall in the months ahead, the industry component of my Relative Performance Model reveals that the agriculture industry has consistently been improving over the past several weeks (in terms of its relative price performance).

This development isn't surprising, given the rapid economic growth and rising incomes in China, India, and several other emerging economies, as consumers tend to demand better food products when their wages increase.

Meanwhile, my models indicate bond prices will rise within the next few months, as portfolio managers seek "safe-haven" investments and the Federal Reserve lowers short-term interest rates in an effort to prevent a recession.

You should therefore take steps now to protect your portfolio against falling stock prices and to profit from rising bond prices. Those of you seeking ways to benefit from rising inflation should invest a portion of your funds in agriculture-related securities.

For specific information on ETFs that will enable you to protect your portfolio against declining stock prices and to profit from rising bond and agricultural prices, see the Conservative and Aggressive Portfolio sections.

# Conservative Portfolio

Our Conservative Portfolio is designed for investors who are more interested in preserving their capital than in realizing the largest potential investment returns.

While this portfolio seeks to outperform the S&P 500 index during periods in which stock prices in general are rising and when they are declining, its major goal is to protect investors against losses while striving to earn a rate of return in excess of the overall market.

## Recommendation No. 1: ProShares Short S&P 500 (SH)

In the event stock prices do fall precipitously over the coming months, bear market ETFs such as the ProShares Short S&P 500 will perform quite well because they appreciate in price when stock prices in general decline.

This fund seeks investment results that correspond to the inverse of the daily performance of the S&P 500 index. In other words, if the S&P 500 falls 10 percent, this fund should rise 10 percent.

For example, when the S&P 500 fell 59 points in a two-day period back in July of this year, the ProShares Short S&P 500 ETF rose 4.6 percent.

As I told you earlier, my Asset & Sector Allocation Model gave a “sell” signal in July for only the seventh time in the past 37 years. On every previous occasion this model gave a sell signal, the S&P 500 fell between 17 percent and 41 percent over the ensuing months.

Even if stock prices were to rally over the coming weeks, I would still recommend you hold a portion of your portfolio in the ProShares Short S&P 500 ETF as a means to protect against the possibility of future declines in equity prices.

Think of this fund as “insurance” against a stock market crash as well as an opportunity to pocket big gains when stocks decline.

**Buy the ProShares Short S&P 500 (SH) at prices up to \$61.75.**

## Recommendation No. 2: iShares Lehman Short Treasury Bond Fund (SHV)

Both stock and bond prices have been quite volatile over the past few months, as investors have become more and

more uncertain about the future direction of the economy.

Meanwhile, the yield on the 10-year U.S. Treasury note rose from 4.63 percent in May to 5.26 percent in June, and then fell back to 4.51 percent in August.

This is a normal occurrence during major turning points in the financial markets as investors try to sort out conflicting economic developments and money managers make significant changes in their portfolios.

During such periods, we think the best course of action for conservative investors is to invest in defensive sectors of the market, in short-term debt securities, and to purchase some insurance on your equity investments.

One of the better ways to do this is to invest in the iShares Lehman Short Treasury Bond Fund.

This fund holds U.S. Treasury securities with a remaining maturity of one to 12 months and average yields to maturity ranging from 3 percent to 4.6 percent.

Clearly, the Lehman Short Treasury Bond Fund won't make you rich, but it can help you preserve capital during turbulent investment environments.

And, even if the Fed were to unexpectedly raise interest rates at some point to combat inflationary pressures, the Lehman Short Treasury Bond Fund would still likely generate positive returns, given the short maturity of its holdings.

For the three-month period ended August 31, the iShares Lehman Short Treasury Bond Fund generated a total return of 1.46 percent, while the S&P 500 index lost 3.28 percent.

**Buy the iShares Lehman Short Treasury Bond Fund (SHV) at prices up to \$109.70.**

## Recommendation No. 3: PowerShares DB Agriculture Fund (DBA)

As I mentioned on page 4, the industry component of my Relative Performance Model reveals that the agriculture industry has been consistently improving over the past several weeks, in terms of its relative price performance. Meanwhile, the fundamental component of my Asset & Sector Allocation Model suggests this trend will continue in the months ahead, largely as a result of China's rapid economic growth and burgeoning middle class.

The number one priority of most consumers in the world's emerging economies is to improve their diets. And, as consumers' incomes rise, they tend to spend a larger portion of their income on better food products. For example, consumers in the world's developed countries (such as the U.S., Canada, and Japan) spend only about 10 percent of every new dollar of income on food. In contrast, China's consumers — which account for 20 percent of the world's population — currently spend just a third of every new dollar of income on food.

Take into consideration China's soybean demand. Soybean imports quadrupled over the past five years and continued to rise during the first half of 2007 in spite of significant increases in soybean prices. The Food and Agricultural Policy Research Institute projects that China's soybean imports will roughly double in the next ten years.

Meanwhile, China's demand for corn has also been rising, and its corn imports are projected to grow fourfold over the next ten years. In light of China's rapidly growing economy and expanding middle class, we can expect the demand for food in China alone to increase dramatically over the coming years.

Another factor that should keep agriculture prices high is the rising demand for corn and other grains for use as fuel alternatives. Regardless of the long-term viability for grains as a substitute for gasoline, the shorter-term use of these biofuels is likely to rise significantly over the next few years.

A potential supply problem is also brewing in the agriculture industry. There is a pesticide-resistant fungus known as "wheat rust Ug99" that is threatening wheat crops in Asia.

So far no cure has been found for the fungus. The last outbreak similar to this, which broke out in 1954 in North America, wiped out 40 percent of the region's

wheat crop, sending food prices through the roof.

Already, the consumption of wheat has outstripped the available supply for six of the past seven years.

**Buy the PowerShares DB Agriculture Fund (DBA) at prices up to \$28.**

### **Recommendation No. 4: WisdomTree International Utilities Sector Fund (DBU)**

As I mentioned earlier, my Asset & Sector Allocation Model suggests the U.S. economy is currently in the early contraction phase of the business cycle and economic growth will slow considerably over the coming months. Historically, the utilities sector has been among the top-performing sectors during this phase of the cycle.

Meanwhile, my Relative Performance Model indicates that the relative price performance of the utilities sector has been significantly improving over the past month. This comes as no surprise, because consumer demand for electricity and other utilities tends to be only minimally impacted during periods of slowing economic growth. As a result, the stock prices of electric utilities companies tend to hold up quite well, and sometimes even appreciate, when companies in most other sectors are experiencing declining profits.

The WisdomTree International Utilities Sector Fund, which is managed by world renowned Wharton Finance professor Jeremy Siegel and legendary hedge fund manager Michael Steinhardt, invests in the stocks of utilities companies that pay regular cash dividends and that have consistently generated high returns on equity. The fund's holdings include stocks of companies located in Japan, the U.K., Italy, France, Germany, Spain, and Hong Kong.

**Buy the WisdomTree International Utilities Sector Fund (DBU) at prices up to \$31.**

## **CONSERVATIVE PORTFOLIO**

<b>ETF Name</b>	<b>Ticker</b>	<b>Advice</b>
ProShares Short S&P 500	SH	BUY
iShares Lehman Short Treasury Bond Fund	SHV	BUY
PowerShares DB Agriculture Fund	DBA	BUY
WisdomTree International Utilities Sector Fund	DBU	BUY

The Conservative Portfolio is designed for investors who are more interested in preserving their capital than in realizing the largest potential investment returns. While this portfolio seeks to outperform the S&P 500 Index during periods in which stock prices in general are rising and when they are declining, its major goal is to protect investors against losses while striving to earn a rate of return in excess of the overall market. We recommend for you to invest equal amounts of your ETF-designated capital in each of these ETFs.

# Aggressive Portfolio

Our Aggressive Portfolio is structured for those of you who are able to handle short-term market volatility and are seeking to significantly outperform a broadly diversified investment portfolio.

## Recommendation No. 1: ProShares Ultra Short Russell 2000 (TWM)

With my investment models indicating stock prices will decline sharply in the months ahead and a new bear market has begun, the ProShares Ultra Short Russell 2000 provides an excellent way to not only protect your portfolio against declining stock prices but to profit from such declines.

This fund seeks daily investment results that correspond to twice (200 percent) the inverse of the daily performance of the Russell 2000 index.

Hence, if the Russell 2000 index were to decline 10 percent, the ProShares Ultra Short Russell 2000 would appreciate 20 percent.

In addition to a vast majority of the variables in the fundamental component of my Asset & Sector Allocation Model registering a “sell” signal in July, the majority of my investor sentiment indicators also suggest stock prices are headed lower.

For example, (1) significantly more stocks have declined in price over the past two months than those that have advanced in price, (2) brokerage firm margin debt (relative to credit balances in cash accounts) has risen to the highest level since September 2000, and (3) the spread between yields on high-grade corporate bonds and junk bonds is currently near the highest level since June 2000.

I advocate being aggressive in the financial markets when the odds appear to be clearly in your favor.

Right now, my models indicate the odds of “betting” on falling stock prices over the coming months are quite favorable.

Historically, small-cap stocks, such as those represented by the Russell 2000 index, have fallen the most during bear markets.

**Buy the ProShares Ultra Short Russell 2000 (TWM) at prices up to \$72.**

## Recommendation No 2: iShares Lehman 3-7 Year Treasury Bond Fund (IEI)

Both the fundamental and investor sentiment components of my Asset & Sector Allocation Model have turned decidedly bearish, including a significant decline in the average work week of manufacturing workers, high consumer debt levels, and a big decline in business purchases of inventories.

In light of the subprime mortgage debacle and the ongoing credit crunch, there is an increasing likelihood that investors and money managers alike will seek ways to limit their exposure to falling stock prices and illiquid debt securities over the coming months.

Historically, there has been a “flight to safety” during such environments, as investors sold stocks and high-risk bonds and invested in U.S. Treasury securities.

I see no reason to think this time will be any different and recommend you buy the iShares Lehman 3 - 7 Year Treasury Bond Fund.

In the event investors do seek “safe-haven” investments and the Federal Reserve lowers interest rates, we think this fund should perform quite well.

The fund seeks investment results that correspond to the price and yield performance of the intermediate-term sector of the U.S. Treasury market by holding Treasury securities having a remaining maturity of 3 - 7 years and with average yields to maturity ranging from 3.6 percent to 4.9 percent.

**Buy the iShares Lehman 3-7 Year Treasury Bond Fund (IEI) at prices up to \$102.50.**

## Recommendation No. 3: ProShares Ultra Utilities Fund (UPW)

Like the WisdomTree International Utilities Sector Fund, the ProShares Ultra Utilities Fund allows you to capture the potential profits I believe are about to be realized in the utilities sector.

The difference between the WisdomTree Utilities fund and the ProShares Ultra Utilities is that the ProShares fund seeks results that correspond to twice the daily performance of the Dow Jones U.S.

Utilities Index by investing 80 percent of its assets in equity securities held in the index and other financial instruments, and by using leverage techniques.

**Buy the ProShares Ultra Utilities (UPW) on dips at prices up to \$76.**

### Recommendation No. 4: PowerShares DB Agriculture Fund (DBA)

To protect against, and perhaps even profit from, rising inflationary pressures, I recommend you buy the DB Agriculture Fund for the same reasons I stated under the Conservative Portfolio section on page 5.

**Buy the PowerShares DB Agriculture Fund (DBA) at prices up to \$28.**

### Recommendation No. 5: ProShares Ultra Short Consumer Services Fund (SCC)

With the U.S. economy now experiencing job losses, home values continuing to decline and consumer debt near all-time highs, my investment models suggest consumer spending will fall dramatically over the coming months. The declining purchasing power of the U.S. dollar will also likely put a crimp in consumer spending.

If consumer spending declines in the way my models indicate, stocks of companies such as Wal-Mart, Home Depot, and Lowes could fall precipitously over the next few months.

The ProShares Ultra Short Consumer Services seeks investment results that correspond to twice the inverse of the daily performance of the Dow Jones U.S. Consumer Services Index.

The index's component companies include airlines, broadcasting and entertainment companies, apparel and broad-line retailers, food and drug retailers,

media agencies, publishing companies, casinos, hotels, restaurants and bars, and travel and tourism companies. Its top holdings include Wal-Mart, Home Depot, and Lowes.

Just last month, Wal-Mart and Home Depot — the world's largest retailer and largest home-improvement store, respectively — reported disappointing second quarter sales and earnings, as the U.S. consumer continued to cut back on discretionary spending.

Although Wal-Mart's income from continuing operations rose 3.7 percent during the quarter, its same-store sales rose only 1.9 percent — the smallest increase since the company began tracking same-store sales in 1980. For the six-months that ended July 31, the company's same-store sales (excluding fuel sales) rose just 1.3 percent, versus 2.7 percent during the same period a year ago, as "many customers around the world continue to be under economic pressure," according to the company's CEO Lee Scott.

Home Depot reported that its earnings from continuing operations fell 14 percent during the second quarter, as revenues declined for the first time in four years. The company's same-store sales, which are a better measure of the performance of companies in the retail industry, fell 5.2 percent due to the continuing slump in the U.S. housing market.

The company said it expects full-year profits for 2007 to fall as much as 15 percent, as a result of declining consumer demand for appliances and remodeling products.

As a result of these developments, the ProShares Ultra Short Consumer Services could generate huge investment returns over the next six months.

**Buy the ProShares Ultra Short Consumer Services Fund at prices up to \$78.50.**

## AGGRESSIVE PORTFOLIO

<i>ETF Name</i>	<i>Ticker</i>	<i>Advice</i>
ProShares Ultra Short Russell 2000	TWM	BUY
iShares Lehman 3-7 Year Treasury Bond Fund	IEI	BUY
ProShares Ultra Utilities	UPW	BUY
PowerShares DB Agriculture Fund	DBA	BUY
ProShares Ultra Short Consumer Services	SCC	BUY

The Aggressive Portfolio is designed for investors who are willing (and able) to sacrifice short-term volatility in an effort to significantly outperform a broadly diversified investment portfolio. We recommend for you to invest equal amounts of your ETF-designated capital in each of these ETFs.

## Closing Thoughts & Actions to Take Now

In closing, let me reiterate what I said in the introduction to this inaugural edition of *The ETF Strategist* — there's never been an easier way to make money in the financial markets than with ETFs — whether stock prices are rising to all-time highs or falling precipitously to new lows, and whether the economy is expanding rapidly or about to enter a recession. So, keep in mind there's always a bull market somewhere, whether in China or India, oil or gold, foreign currencies or some other market segment.

And, although the financial markets have been quite volatile over the past month, I'm continuing to find tremendous opportunities in numerous ETFs. To ensure that you're ready to begin profiting from these opportunities, you should take the following actions immediately.

### Actions to Take Now

**Action No. 1:** Determine whether you're a conservative or aggressive investor.

**Action No. 2:** Review pages 5 - 8 for important information on our recommended ETFs.

**Action No. 3:** Check your email every day after the market closes to see if we have issued any new recommendations.

Also, be sure to adhere to our specific "buy" price ranges for our recommended ETFs so that you can capture the biggest possible investment gains and protect your portfolio against the possibility of losses on those occasions when our recommended ETFs don't perform in the way we initially expected.

And don't let the Wall Street "experts" distract you with their daily chatter (which is often nothing more than noise), because whenever there's important news that could affect your portfolio, you can rest assured I will send you an email that will clearly discuss the significance of any such news and show you how to profit from it.

Over the coming days, keep your eyes out for any new recommendations and our latest thoughts on the financial markets.

Thank you for subscribing to *The ETF Strategist*.

I look forward to a long and prosperous relationship.

Sincerely,



David N. Frazier

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