Global ETF Switcher Strategies

Monthly Review: Apr. 06 – May 04, 2012

QUANTITATIVE FINANCE & TECHNICAL TRADING

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SECTION 1: DISCUSSION

Greetings to all! This is our third monthly review and we are getting along well. Let us look first into the evaluation statistics for the month of April. The market (SPY) rose to 0.81% with a drawdown of 2.7% on an 11 day duration. Let us consider first the before 2007 group of assets and strategies. For Strategy #1 and the global group we had a cumulative return of 0.93% with a drawdown of 2.89% and 14 day duration – slightly above par with the market. However, for the Europe group and the Asia etc. group we had quite higher performance of 2.92% and 5.1% respectively, the latter group having a lower drawdown of 1.83% and 11 day duration. The group of the Americas and the commodities group had negative returns. Strategies #2, 3 and 4 had similar qualitative characteristics.

A different picture can be seen for the after 2007 group. Here the global group as well as the Asia etc. group has negative cumulative return while the other groups have mostly positive returns. Notable is the Europe group, for which there are no differences in performance with the before 2007 one, and the sectors group where average cumulative return across the four strategies is about 3.1% - close to the 3.06% of Strategy #1.

Of further interest might be the results on the portfolios, where the top performing strategies exhibit very good characteristics. For example, in the before 2007 group see the strategy on the global group (a 1.3% return with a 1% drawdown), the strategy on the Europe group (a 2.1% return and a 1% drawdown) and the strategy on the Asia etc. group (a 2.8% return with a 0.8% drawdown); in the after 2007 group we have good results for the Europe group, and the currencies and sectors groups.

OK, and now the for the cumulative three month assessment! During this period the market (SPY) rose by 4.7% with a 4.2% drawdown and 51 day duration. With few exceptions which we discuss below, the average performance across strategies is not good: for the before 2007 group and the equities-only case we have that about 65% of the strategies had negative returns. Significant exception is the Asia etc. group where

Strategy #1 gave a 9% cumulative return and Strategy #4 gave a 19.6% return – the latter being the best overall performing strategy since inception. For the after 2007 group the results are rather bleak(!), with surviving exceptions the sectors and possibly the currencies group. The results for the portfolios follow suit, since they are greatly affected by the performance of the equities component.

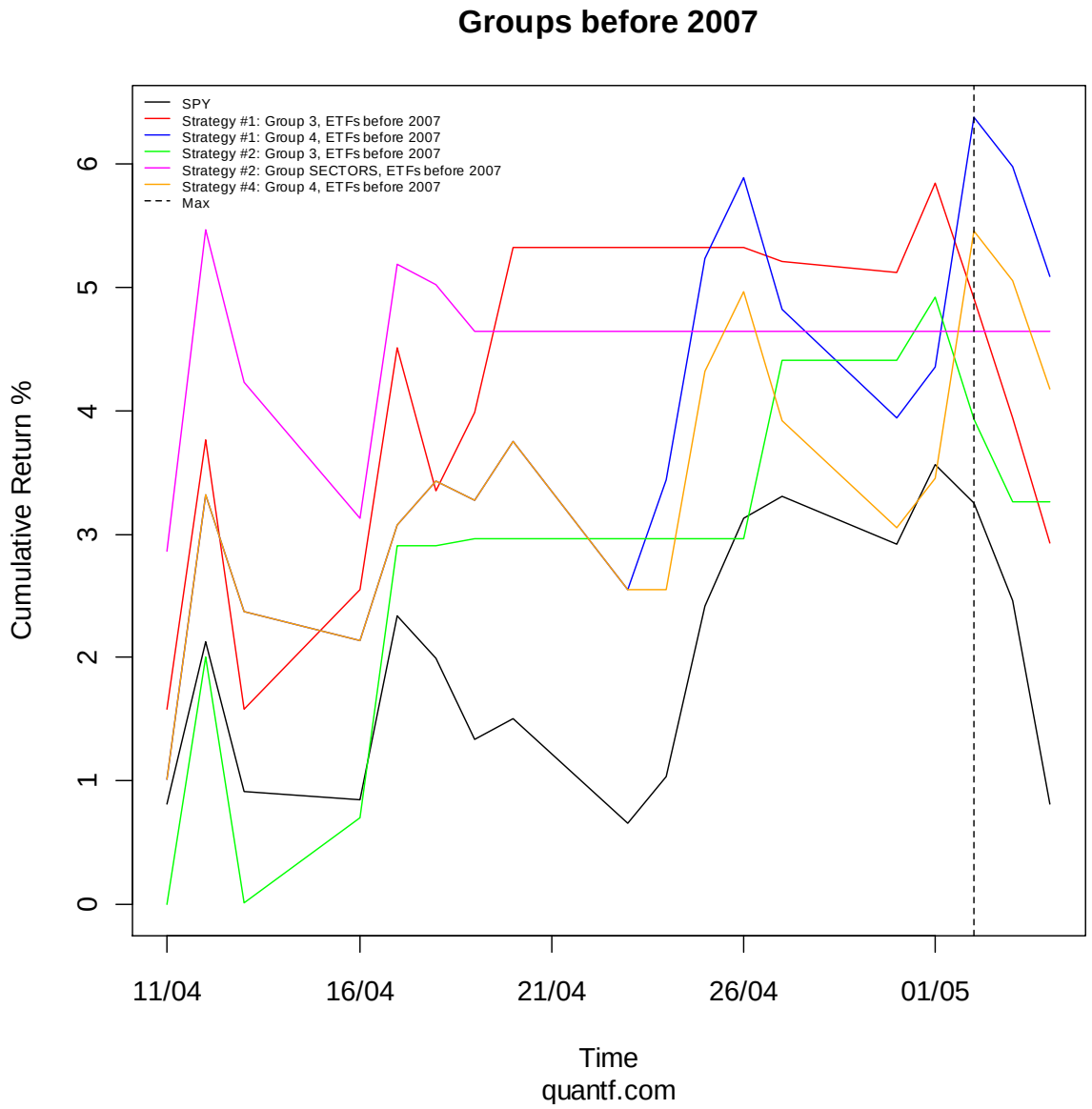
So, are there any lessons from this last report? Well, we have started off with the first month rather strong while the next two months were not, on average, as good as the first one. In our last report we noted the significance of taking profits from strategies that highly outperform the market and that would have limited the negative exposure that the last month brought in. We also see that (a) month-to-month there are movements around which group and which strategy performs the best and that (b) the performance of the Asia etc. group begun strong and continued like that with Strategy #4. Finally, the all-around picks have not proven to be – so far – reliable and we will have to re-think their strategic placement into the report.

As always, many thanks if you had the interest or patience to read so far. Our readers' comments as to how we can improve are of course welcomed. Let's see how we will do this month.

Fotis Papailias and Dimitrios Thomakos

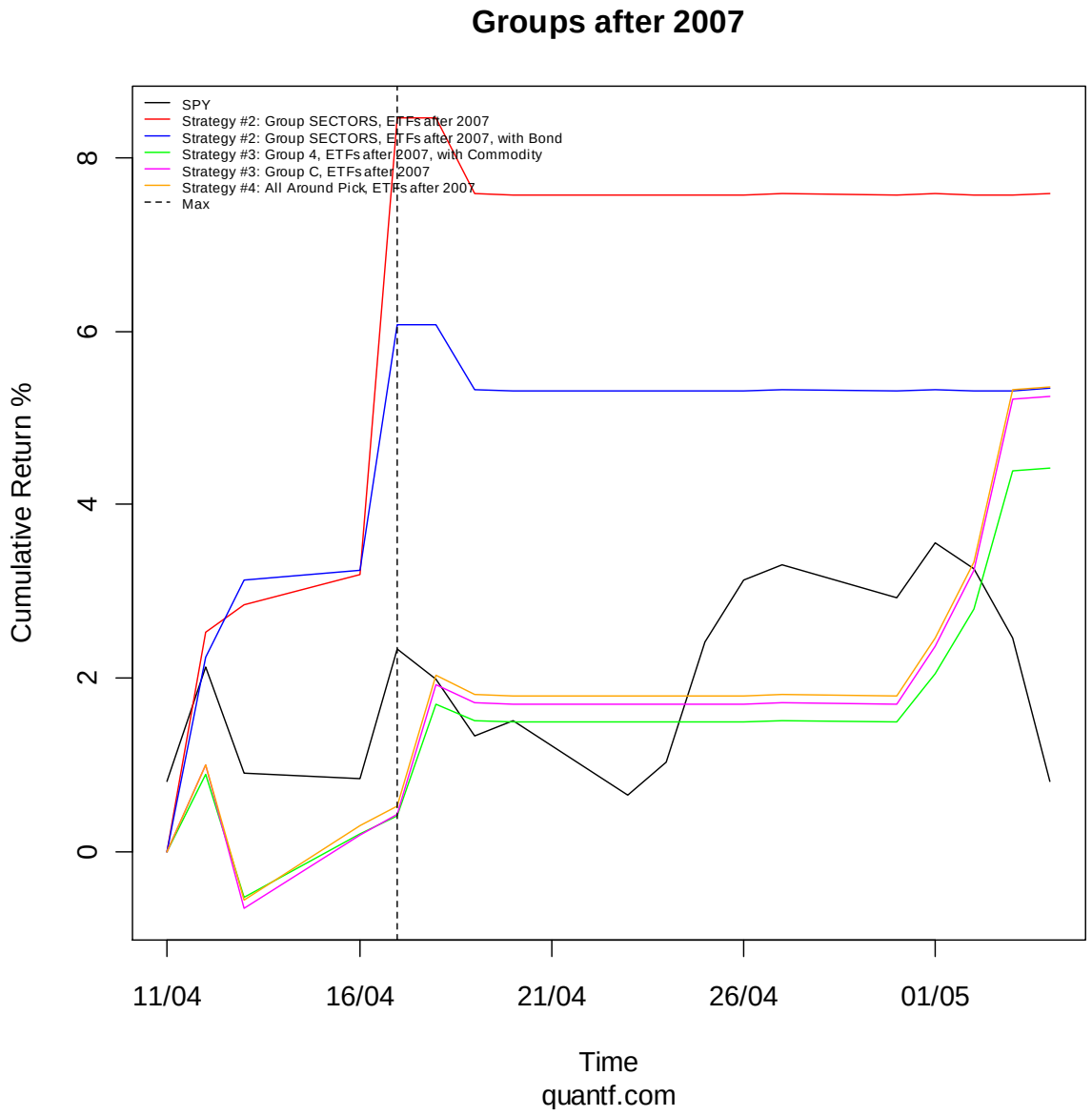
SECTION 2: OVERVIEW APR. 06 – MAY 04, 2012

Top 5 Switcher Strategies using ETFs issued before 2007



OVERVIEW APR. 06 – MAY 04, 2012

Top 5 Switcher Strategies using ETFs issued after 2007



MARKET SENTIMENT APR. 06 – MAY 04, 2012

Notes & Definitions

Cum. Ret.: Total Return defined as the cumulative product of returns minus one.

Sharpe: The Sharpe Ratio defined as the annualized average return over the annualized standard deviation of returns.

Drawdown: the Maximum Drawdown

Duration: the Maximum Drawdown Duration

In all cases we have used the percentage returns of the adjusted closing prices.

The risk-free (RF) rate is set equal to zero.

Market Performance

Statistic	SPY	GLD	TLT
Cum. Ret.	0.809%	-1.012%	1.338%
Sharpe	0.86	-1.58	1.84
Drawdown	2.700%	2.293%	1.613%
Duration	11	16	12
Statistic	**IWM**	**SLV**	**JNK**
Cum. Ret.	0.944%	-4.482%	2.991%
Sharpe	0.81	-3.12	8.05
Drawdown	3.994%	6.779%	0.334%
Duration	12	16	9

GLOBAL ETF SWITCHER PICKS APR. 06 – MAY 04, 2012

ETFs issued before 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	0.933%	0.857%	0.207%	1.610%
	Sharpe	0.87	0.88	0.47	1.56
	Drawdown	2.888%	2.724%	1.195%	2.782%
	Duration	14	16	2	12
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-5.037%	-2.122%	-1.518%	-0.928%
	Sharpe	-3.77	-1.93	-3.74	-0.94
	Drawdown	7.679%	4.549%	1.518%	3.637%
	Duration	16	16	16	16
EUROPE (Group 3)	Cum. Ret.	2.924%	3.267%	-1.169%	2.234%
	Sharpe	2.32	3.00	-1.82	2.09
	Drawdown	2.761%	1.957%	2.104%	2.104%
	Duration	9	5	16	7
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	5.083%	-2.398%	0.000%	4.172%
	Sharpe	4.23	-1.75	0.00	3.53
	Drawdown	1.831%	2.869%	0.000%	1.831%
	Duration	11	16	0	11
CURRENCIES (Group FX)	Cum. Ret.	0.886%	-0.066%	0.886%	0.886%
	Sharpe	1.60	-0.08	1.60	1.60
	Drawdown	1.122%	1.716%	1.122%	1.122%
	Duration	14	14	14	14
SECTORS (Group SEC)	Cum. Ret.	0.648%	4.648%	-0.670%	0.016%
	Sharpe	0.80	3.78	-3.74	0.07
	Drawdown	3.320%	2.211%	0.670%	1.378%
	Duration	15	16	15	15
BONDS (B)	Cum. Ret.	1.412%	1.412%	0.000%	1.412%
	Sharpe	3.23	3.23	#VALUE!	3.23
	Drawdown	0.206%	0.206%	0.000%	0.206%
	Duration	15	15	0	15
COMMODITIES (C)	Cum. Ret.	-1.154%	-0.909%	-2.686%	-1.154%
	Sharpe	-1.83	-1.41	-5.15	-1.83
	Drawdown	2.307%	2.191%	3.700%	2.307%
	Duration	16	16	16	16
All Around Picks	Cum. Ret.	-0.543%	-0.632%	-1.273%	-0.543%
	Sharpe	-0.92	-1.02	-2.21	-0.92
	Drawdown	1.704%	1.918%	2.748%	1.704%
	Duration	16	16	16	16

GLOBAL ETF SWITCHER PICKS APR. 06 – MAY 04, 2012

ETFs issued after 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	-1.606%	-1.130%	-0.918%	-0.854%
	Sharpe	-1.11	-0.95	-1.77	-0.63
	Drawdown	5.298%	4.640%	2.050%	4.574%
	Duration	16	16	16	16
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	0.045%	-3.303%	-1.545%	1.167%
	Sharpe	0.11	-1.26	-3.74	1.40
	Drawdown	2.155%	9.967%	1.581%	2.155%
	Duration	14	14	16	11
EUROPE (Group 3)	Cum. Ret.	2.924%	3.267%	-1.160%	2.234%
	Sharpe	2.32	2.99	-1.81	2.09
	Drawdown	2.761%	1.957%	2.104%	2.104%
	Duration	9	12	16	13
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-7.358%	-6.986%	0.018%	-6.900%
	Sharpe	-3.76	-2.98	1.56	-3.50
	Drawdown	10.575%	9.738%	0.036%	10.134%
	Duration	16	17	15	16
CURRENCIES (Group FX)	Cum. Ret.	1.288%	-2.109%	0.018%	0.502%
	Sharpe	2.37	-2.61	1.56	0.95
	Drawdown	1.051%	2.686%	0.036%	1.384%
	Duration	14	16	15	14
SECTORS (Group SEC)	Cum. Ret.	3.062%	7.588%	-0.457%	2.125%
	Sharpe	3.78	4.95	-3.51	4.39
	Drawdown	1.477%	0.828%	0.512%	0.752%
	Duration	13	13	15	11
BONDS (B)	Cum. Ret.	3.043%	1.422%	0.018%	0.355%
	Sharpe	7.72	3.25	1.56	2.08
	Drawdown	0.324%	0.233%	0.036%	0.324%
	Duration	9	15	15	14
COMMODITIES (C)	Cum. Ret.	2.014%	-9.127%	5.248%	1.493%
	Sharpe	1.92	-5.52	5.92	1.45
	Drawdown	3.340%	9.127%	1.644%	3.633%
	Duration	13	17	11	15
All Around Picks	Cum. Ret.	-8.079%	-1.355%	5.353%	-8.011%
	Sharpe	-4.17	-1.12	6.14	-4.13
	Drawdown	11.272%	4.100%	1.545%	11.206%
	Duration	16	13	11	16

GLOBAL ETF SWITCHER PICKS APR. 06 – MAY 04, 2012

Number of "Switches"

ETFs issued before 2007				
Picks	**Strategy #1**	**Strategy #2**	**Strategy #3**	**Strategy #4**
GLOBAL (Group 1)	8	11	10	11
NORTH & SOUTH AMERICA (Group 2)	1	12	7	7
EUROPE (Group 3)	4	4	5	7
ASIA/AUS/AFR/EURASIA (Group 4)	7	11	9	7
CURRENCIES (Group FX)	2	7	7	7
SECTORS (Group SEC)	9	17	1	9
BONDS (B)	2	2	4	2
COMMODITIES (C)	10	12	10	10
All Around Picks	4	13	13	9
ETFs issued after 2007				
Picks	**Strategy #1**	**Strategy #2**	**Strategy #3**	**Strategy #4**
GLOBAL (Group 1)	1	12	4	6
NORTH & SOUTH AMERICA (Group 2)	2	15	7	2
EUROPE (Group 3)	4	4	5	7
ASIA/AUS/AFR/EURASIA (Group 4)	1	14	3	5
CURRENCIES (Group FX)	2	8	3	10
SECTORS (Group SEC)	7	10	1	7
BONDS (B)	2	10	2	2
COMMODITIES (C)	5	14	6	5
All Around Picks	6	17	8	10

ETFs issued before 2007: Strategies #1 and #2

Picks	Statistic	Strategy #1		Strategy #2	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	1.300%	0.300%	1.000%	0.100%
	Sharpe	2.96	0.67	2.65	0.22
	Drawdown	1.000%	1.100%	0.700%	1.100%
	Duration	11	14	14	16
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-1.600%	-1.400%	-0.800%	-0.800%
	Sharpe	-2.92	-2.85	-1.68	-2.05
	Drawdown	2.800%	2.500%	1.700%	1.700%
	Duration	16	16	15	16
EUROPE (Group 3)	Cum. Ret.	2.100%	0.500%	2.000%	0.600%
	Sharpe	4.39	1.22	5.26	1.48
	Drawdown	1.000%	1.100%	0.500%	1.000%
	Duration	8	12	4	13
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	2.800%	1.200%	-0.100%	-0.400%
	Sharpe	5.39	2.81	-0.09	-0.97
	Drawdown	0.800%	0.700%	0.900%	1.000%
	Duration	9	13	13	13
CURRENCIES (Group FX)	Cum. Ret.	1.000%	0.200%	0.500%	-0.100%
	Sharpe	3.99	0.61	2.42	-0.16
	Drawdown	0.500%	0.900%	0.700%	1.000%
	Duration	11	14	11	13
SECTORS (Group SEC)	Cum. Ret.	0.700%	0.100%	2.100%	0.800%
	Sharpe	1.77	0.20	4.53	2.07
	Drawdown	1.400%	1.300%	0.600%	0.900%
	Duration	14	16	14	16

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

GLOBAL ETF SWITCHER STRATEGIES APR. 06 – MAY 04, 2012

ETFs issued before 2007: Strategies #3 and #4

Picks	Statistic	Strategy #3		Strategy #4	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	0.000%	-1.100%	1.300%	0.200%
	Sharpe	0.04	-4.11	3.38	0.64
	Drawdown	0.600%	1.400%	1.000%	1.100%
	Duration	2	16	10	13
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-0.800%	-1.500%	-0.100%	-0.500%
	Sharpe	-3.74	-5.61	-0.31	-1.19
	Drawdown	0.800%	1.900%	1.300%	1.700%
	Duration	16	16	16	16
EUROPE (Group 3)	Cum. Ret.	-0.500%	-1.400%	1.700%	0.400%
	Sharpe	-1.90	-4.63	4.19	0.93
	Drawdown	0.900%	1.700%	0.600%	1.000%
	Duration	16	16	6	12
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.000%	-1.000%	2.400%	1.000%
	Sharpe	0	-5.62	4.73	2.35
	Drawdown	0.000%	1.400%	0.800%	0.700%
	Duration	0	16	9	14
CURRENCIES (Group FX)	Cum. Ret.	0.400%	-0.01	0.01	0.00
	Sharpe	1.54	-2.33	3.99	0.61
	Drawdown	0.500%	1.700%	0.500%	0.900%
	Duration	15	16	11	14
SECTORS (Group SEC)	Cum. Ret.	-0.300%	-1.200%	0.600%	-0.100%
	Sharpe	-3.74	-6.35	1.99	-0.36
	Drawdown	0.300%	1.500%	0.500%	0.900%
	Duration	15	16	14	16

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

ETFs issued after 2007: Strategies #1 and #2

Picks	Statistic	Strategy #1		Strategy #2	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	1.000%	1.500%	0.400%	-3.900%
	Sharpe	1.33	2.19	0.56	-5.03
	Drawdown	1.800%	1.500%	3.000%	3.900%
	Duration	15	14	15	17
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	1.400%	1.600%	-2.500%	-4.600%
	Sharpe	2.33	2.72	-1.35	-3.92
	Drawdown	1.200%	1.200%	7.100%	4.700%
	Duration	12	14	14	16
EUROPE (Group 3)	Cum. Ret.	3.200%	2.500%	3.200%	-2.500%
	Sharpe	4.53	3.37	4.81	-2.77
	Drawdown	1.100%	1.700%	1.200%	2.900%
	Duration	9	11	11	16
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-4.000%	-1.700%	-4.100%	-6.500%
	Sharpe	-3.02	-1.74	-2.10	-6.39
	Drawdown	6.500%	3.900%	7.600%	6.900%
	Duration	16	16	15	17
CURRENCIES (Group FX)	Cum. Ret.	2.100%	2.100%	-1.500%	-4.700%
	Sharpe	4.66	3.83	-2.10	-4.91
	Drawdown	0.600%	0.900%	2.200%	4.700%
	Duration	12	13	16	17
SECTORS (Group SEC)	Cum. Ret.	3.200%	3.000%	5.300%	-1.600%
	Sharpe	6.22	4.96	5.47	-1.68
	Drawdown	0.700%	1.200%	0.700%	3.100%
	Duration	9	11	13	13

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

GLOBAL ETF SWITCHER STRATEGIES APR. 06 – MAY 04, 2012

ETFs issued after 2007: Strategies #3 and #4

Picks	Statistic	Strategy #3		Strategy #4	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	-0.800%	4.200%	0.200%	0.600%
	Sharpe	-1.77	5.69	0.28	0.73
	Drawdown	1.900%	1.400%	3.200%	2.900%
	Duration	16	11	16	15
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-1.400%	4.300%	1.600%	1.700%
	Sharpe	-3.74	5.59	2.38	2.14
	Drawdown	1.500%	1.500%	1.500%	2.200%
	Duration	16	11	11	14
EUROPE (Group 3)	Cum. Ret.	-1.000%	4.200%	1.900%	1.800%
	Sharpe	-1.78	5.15	2.58	2.12
	Drawdown	1.900%	1.700%	1.400%	2.800%
	Duration	16	11	13	13
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.000%	4.400%	-5.900%	-2.900%
	Sharpe	1.56	5.93	-3.70	-2.65
	Drawdown	0.000%	1.400%	9.000%	5.300%
	Duration	15	11	16	16
CURRENCIES (Group FX)	Cum. Ret.	0.00	0.04	0.01	0.02
	Sharpe	1.56	5.93	1.75	2.52
	Drawdown	0.000%	1.400%	1.200%	1.600%
	Duration	15	11	14	14
SECTORS (Group SEC)	Cum. Ret.	-0.400%	3.900%	2.000%	2.200%
	Sharpe	-3.49	5.34	5.02	2.72
	Drawdown	0.500%	1.400%	0.400%	2.900%
	Duration	15	11	11	14

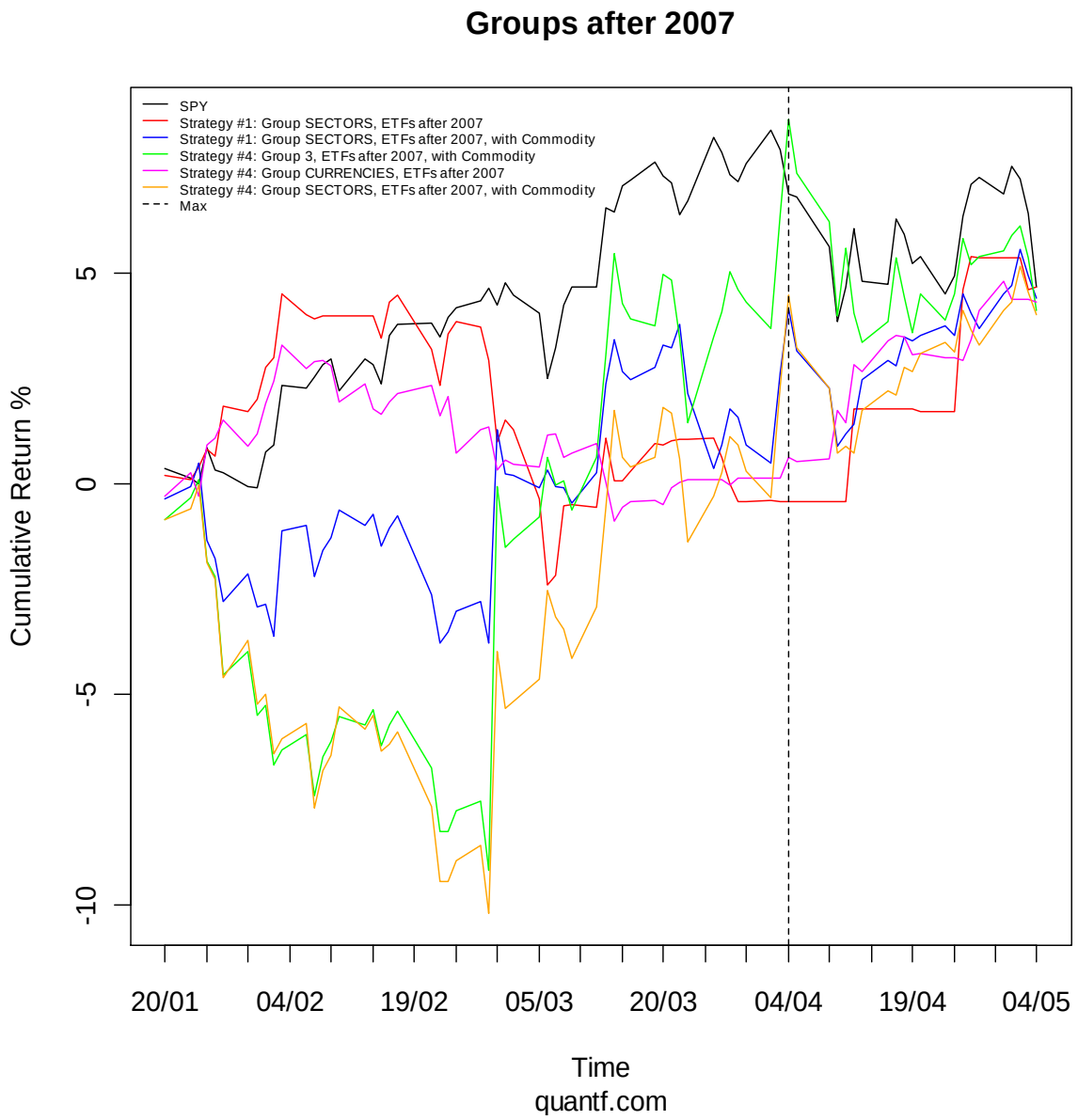
Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

SECTION 2: OVERVIEW JAN. 18 – MAY 04, 2012

Top 5 Switcher Strategies using ETFs issued before 2007

OVERVIEW JAN. 18 – MAY 04, 2012

Top 5 Switcher Strategies using ETFs issued after 2007



MARKET SENTIMENT JAN. 18 – MAY 04, 2012

Notes & Definitions

Cum. Ret.: Total Return defined as the cumulative product of returns minus one.

Sharpe: The Sharpe Ratio defined as the annualized average return over the annualized standard deviation of returns.

Drawdown: the Maximum Drawdown

Duration: the Maximum Drawdown Duration

In all cases we have used the percentage returns of the adjusted closing prices.

The risk-free (RF) rate is set equal to zero.

Market Performance

Statistic	SPY	GLD	TLT
Cum. Ret.	4.668%	-1.085%	0.819%
Sharpe	1.42	-0.12	0.26
Drawdown	4.200%	9.384%	8.472%
Duration	51	63	71
Statistic	**IWM**	**SLV**	**JNK**
Cum. Ret.	1.449%	-1.110%	4.238%
Sharpe	0.37	0.03	2.50
Drawdown	7.168%	18.253%	2.386%
Duration	63	64	54

GLOBAL ETF SWITCHER PICKS JAN. 18 – MAY 04, 2012

ETFs issued before 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	-0.366%	-9.159%	-0.036%	-3.648%
	Sharpe	0.03	-2.17	0.04	-0.68
	Drawdown	8.763%	11.196%	4.199%	8.080%
	Duration	61	69	39	67
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-10.988%	-3.895%	-4.599%	-13.693%
	Sharpe	-1.89	-0.76	-1.99	-3.19
	Drawdown	17.468%	10.018%	5.969%	15.797%
	Duration	64	62	72	71
EUROPE (Group 3)	Cum. Ret.	-8.316%	-6.626%	-5.377%	-3.525%
	Sharpe	-0.97	-1.13	-2.00	-0.43
	Drawdown	12.880%	10.667%	6.348%	7.753%
	Duration	62	66	17	65
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	9.003%	5.665%	-3.914%	19.604%
	Sharpe	1.56	1.05	0.00	3.65
	Drawdown	6.529%	6.451%	4.470%	4.923%
	Duration	55	65	31	46
CURRENCIES (Group FX)	Cum. Ret.	0.422%	-1.946%	1.879%	-0.346%
	Sharpe	0.20	-0.73	0.85	-0.09
	Drawdown	3.846%	4.650%	2.515%	4.581%
	Duration	64	67	64	64
SECTORS (Group SEC)	Cum. Ret.	-3.483%	2.587%	3.476%	-4.520%
	Sharpe	-0.74	0.73	2.99	-1.18
	Drawdown	10.022%	3.839%	0.000%	9.670%
	Duration	67	60	0	70
BONDS (B)	Cum. Ret.	1.244%	1.244%	0.059%	1.244%
	Sharpe	1.66	1.66	1.29	1.66
	Drawdown	0.243%	0.243%	0.047%	0.243%
	Duration	45	45	50	45
COMMODITIES (C)	Cum. Ret.	-6.383%	-5.417%	-6.654%	-6.383%
	Sharpe	-1.12	-0.89	-1.56	-1.12
	Drawdown	13.102%	12.109%	10.564%	13.102%
	Duration	62	63	69	62
All Around Picks	Cum. Ret.	-12.173%	-2.062%	-5.810%	-10.546%
	Sharpe	-2.30	-0.31	-1.26	-1.95
	Drawdown	16.236%	12.160%	9.579%	14.684%
	Duration	65	66	65	65

GLOBAL ETF SWITCHER PICKS JAN. 18– MAY 04, 2012

ETFs issued after 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	-4.809%	-7.493%	-3.499%	-10.006%
	Sharpe	-0.70	-1.66	-1.22	-1.91
	Drawdown	12.401%	10.297%	4.624%	13.479%
	Duration	60	62	71	65
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-6.983%	-19.183%	-2.996%	-12.842%
	Sharpe	-1.36	-1.87	-1.41	-3.27
	Drawdown	15.347%	28.418%	4.406%	15.291%
	Duration	60	63	73	67
EUROPE (Group 3)	Cum. Ret.	-8.341%	-6.642%	-5.403%	-3.543%
	Sharpe	-0.98	-1.14	-2.01	-0.43
	Drawdown	12.888%	10.651%	6.365%	7.770%
	Duration	62	67	55	65
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-5.943%	3.102%	-0.053%	-1.392%
	Sharpe	-0.62	0.49	-1.03	-0.05
	Drawdown	19.954%	14.792%	0.089%	15.566%
	Duration	60	65	70	61
CURRENCIES (Group FX)	Cum. Ret.	2.382%	-0.941%	-1.872%	4.284%
	Sharpe	0.91	-0.37	-1.11	1.85
	Drawdown	5.600%	3.039%	3.416%	4.017%
	Duration	66	71	67	62
SECTORS (Group SEC)	Cum. Ret.	4.654%	-6.412%	2.082%	2.719%
	Sharpe	1.34	-1.29	2.23	0.97
	Drawdown	6.594%	11.739%	0.045%	4.806%
	Duration	63	72	61	69
BONDS (B)	Cum. Ret.	2.813%	-4.960%	0.077%	1.232%
	Sharpe	1.72	-2.29	1.37	1.98
	Drawdown	2.589%	6.141%	0.057%	0.710%
	Duration	57	71	62	68
COMMODITIES (C)	Cum. Ret.	-1.087%	-26.600%	-6.574%	1.376%
	Sharpe	0.08	-1.91	-0.69	0.31
	Drawdown	14.888%	33.186%	11.216%	17.424%
	Duration	69	73	67	67
All Around Picks	Cum. Ret.	-1.279%	-21.889%	-15.581%	-9.795%
	Sharpe	-0.08	-1.90	-3.21	-1.41
	Drawdown	15.131%	27.479%	16.003%	19.785%
	Duration	62	73	72	63

GLOBAL ETF SWITCHER PICKS JAN. 18 – MAY 04, 2012

Number of "Switches"

ETFs issued before 2007				
Picks	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	22	35	20	34
NORTH & SOUTH AMERICA (Group 2)	7	40	13	34
EUROPE (Group 3)	20	36	9	33
ASIA/AUS/AFR/EURASIA (Group 4)	19	32	16	30
CURRENCIES (Group FX)	11	27	24	18
SECTORS (Group SEC)	28	45	7	29
BONDS (B)	12	12	6	12
COMMODITIES (C)	23	24	30	23
All Around Picks	24	31	42	34
ETFs issued after 2007				
Picks	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	5	37	15	21
NORTH & SOUTH AMERICA (Group 2)	6	53	13	23
EUROPE (Group 3)	20	36	9	33
ASIA/AUS/AFR/EURASIA (Group 4)	1	48	3	16
CURRENCIES (Group FX)	10	30	12	30
SECTORS (Group SEC)	27	43	5	29
BONDS (B)	13	19	4	14
COMMODITIES (C)	9	31	27	20
All Around Picks	19	52	28	32

ETFs issued before 2007: Strategies #1 and #2

Picks	Statistic	Strategy #1		Strategy #2	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	-0.400%	-2.700%	-3.100%	-3.700%
	Sharpe	-0.13	-0.75	-1.68	-1.18
	Drawdown	4.800%	7.700%	4.600%	7.400%
	Duration	60	64	68	65
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-6.900%	-7.000%	-1.400%	-2.500%
	Sharpe	-2.37	-2.02	-0.65	-0.89
	Drawdown	10.500%	11.900%	4.600%	5.900%
	Duration	64	63	64	62
EUROPE (Group 3)	Cum. Ret.	-3.900%	-5.100%	-2.100%	-2.500%
	Sharpe	-0.92	-1.17	-0.79	-0.75
	Drawdown	6.400%	9.600%	4.700%	7.000%
	Duration	61	61	66	65
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	5.000%	1.000%	2.300%	-0.300%
	Sharpe	1.66	0.40	0.94	-0.06
	Drawdown	3.400%	5.100%	2.900%	4.600%
	Duration	54	61	63	65
CURRENCIES (Group FX)	Cum. Ret.	0.700%	-2.000%	-0.400%	-2.300%
	Sharpe	0.51	-0.67	-0.33	-0.79
	Drawdown	2.200%	6.400%	2.400%	6.000%
	Duration	65	62	65	64
SECTORS (Group SEC)	Cum. Ret.	-1.700%	-3.300%	1.200%	-0.800%
	Sharpe	-0.76	-1.02	0.76	-0.24
	Drawdown	5.100%	7.200%	2.400%	4.000%
	Duration	67	64	65	64

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

GLOBAL ETF SWITCHER STRATEGIES JAN. 18 – MAY 04, 2012

ETFs issued before 2007: Strategies #3 and #4

Picks	Statistic	Strategy #3		Strategy #4	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	-0.200%	-2.600%	-1.200%	-3.000%
	Sharpe	-0.13	-1.14	-0.50	-0.89
	Drawdown	2.100%	4.500%	4.400%	7.400%
	Duration	40	69	65	63
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-2.500%	-4.000%	-7.800%	-7.300%
	Sharpe	-2.02	-2.29	-3.38	-2.30
	Drawdown	3.500%	5.400%	9.400%	11.000%
	Duration	72	69	70	64
EUROPE (Group 3)	Cum. Ret.	-3.800%	-5.000%	-1.100%	-2.400%
	Sharpe	-2.14	-2.39	-0.27	-0.61
	Drawdown	4.300%	6.600%	4.400%	6.400%
	Duration	17	69	63	65
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-2.200%	-3.700%	9.600%	4.100%
	Sharpe	-2.33	-2.25	3.65	1.46
	Drawdown	2.500%	5.200%	2.600%	4.100%
	Duration	54	69	46	59
CURRENCIES (Group FX)	Cum. Ret.	0.900%	-0.02	0.00	-0.02
	Sharpe	0.87	-0.98	0.20	-0.78
	Drawdown	1.200%	4.500%	2.700%	6.700%
	Duration	65	67	65	62
SECTORS (Group SEC)	Cum. Ret.	1.600%	-1.300%	-2.000%	-3.100%
	Sharpe	3.03	-0.79	-1.03	-1.01
	Drawdown	0.000%	3.200%	4.900%	6.500%
	Duration	12	69	69	66

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

ETFs issued after 2007: Strategies #1 and #2

Picks	Statistic	Strategy #1		Strategy #2	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	-1.900%	-0.600%	-7.400%	-19.300%
	Sharpe	-0.44	-0.06	-2.02	-2.57
	Drawdown	7.500%	4.800%	9.500%	19.300%
	Duration	60	68	68	73
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-4.400%	-2.500%	-16.20%	-25.500%
	Sharpe	-1.27	-0.51	-2.30	-2.97
	Drawdown	10.300%	7.700%	20.800%	26.600%
	Duration	58	68	66	73
EUROPE (Group 3)	Cum. Ret.	-3.800%	-0.500%	-7.000%	-20.900%
	Sharpe	-0.72	-0.01	-1.63	-2.16
	Drawdown	8.200%	5.000%	9.400%	23.300%
	Duration	56	68	69	73
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-3.100%	-2.300%	1.000%	-13.900%
	Sharpe	-0.43	-0.42	0.26	-1.54
	Drawdown	13.400%	8.200%	12.600%	21.600%
	Duration	60	63	64	73
CURRENCIES (Group FX)	Cum. Ret.	2.400%	1.400%	-2.500%	-13.800%
	Sharpe	1.24	0.43	-1.21	-2.20
	Drawdown	3.600%	3.700%	3.600%	16.300%
	Duration	66	66	68	73
SECTORS (Group SEC)	Cum. Ret.	3.200%	4.400%	-6.400%	-22.000%
	Sharpe	1.41	0.96	-1.95	-2.39
	Drawdown	3.700%	4.200%	9.500%	25.700%
	Duration	63	64	72	73

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

GLOBAL ETF SWITCHER STRATEGIES JAN. 18 – MAY 04, 2012

ETFs issued after 2007: Strategies #3 and #4

Picks	Statistic	Strategy #3		Strategy #4	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	-1.800%	-1.700%	-6.600%	-0.800%
	Sharpe	-0.89	-0.17	-1.54	-0.05
	Drawdown	2.800%	8.500%	10.100%	7.300%
	Duration	72	66	65	67
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-2.400%	-5.500%	-8.400%	-4.600%
	Sharpe	-1.33	-0.68	-2.65	-0.77
	Drawdown	3.400%	9.100%	11.500%	8.300%
	Duration	73	68	62	71
EUROPE (Group 3)	Cum. Ret.	-3.400%	-4.500%	-2.100%	4.100%
	Sharpe	-1.85	-0.58	-0.37	0.65
	Drawdown	4.300%	10.500%	5.800%	9.200%
	Duration	68	67	64	66
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.000%	-3.600%	0.100%	-1.500%
	Sharpe	0.30	-0.42	0.12	-0.21
	Drawdown	0.100%	8.900%	12.400%	6.800%
	Duration	69	67	61	65
CURRENCIES (Group FX)	Cum. Ret.	-0.02	-0.06	0.03	0.03
	Sharpe	-1.16	-1.28	1.68	0.79
	Drawdown	3.200%	8.900%	3.700%	5.900%
	Duration	67	71	65	61
SECTORS (Group SEC)	Cum. Ret.	1.800%	0.100%	2.100%	4.000%
	Sharpe	2.32	0.12	0.98	0.72
	Drawdown	0.100%	7.600%	3.400%	10.200%
	Duration	53	66	68	68

Notes: **Equity + B** denotes the portfolio of selected equity with the relevant choice of bond ETF. **Equity + B + C** denotes the portfolio of selected equity with the relevant choice of bond ETF and commodities ETF.

Switcher: noun (/ˈswiCHər/), is a small railroad locomotive intended not for moving trains over long distances but rather for assembling trains ready for a road locomotive to take over, disassembling a train that has been brought in, and generally moving railroad car around – a process usually known as switching (source: Wikipedia).

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APPENDIX: ETF GROUPS SPLIT

All Groups

Region	Country	Ticker	Inception	Before 2007	After 2007
GLOBAL		IEV	2000-07-25	Group 1	Group 1
		EZU	2000-07-25	Group 1	Group 1
		EFA	2001-08-14	Group 1	Group 1
		EPP	2001-10-25	Group 1	Group 1
		ILF	2001-10-25	Group 1	Group 1
		EEM	2003-04-07	Group 1	Group 1
		VGK	2005-03-04	Group 1	Group 1
		VWO	2005-03-04	Group 1	Group 1
		VPL	2005-03-04	Group 1	Group 1
		VEU	2007-03-02		Group 1
		VEA	2007-07-20		Group 1
		BKF	2007-11-12		Group 1
		AAXJ	2008-08-13		Group 1
		EDZ	2008-12-17		Group 1
NORTH AMERICA	**USA**	SPY	1993-01-22	Group 2	Group 2
		DIA	1998-01-13	Group 2	Group 2
		XLF	1998-12-16	Group 2	Group 2
		QQQ	1999-03-10	Group 2	Group 2
		IWM	2000-05-22	Group 2	Group 2
		VTI	2001-05-24	Group 2	Group 2
		SDS	2006-07-11	Group 2	Group 2
		TZA	2008-11-05		Group 2
		TNA	2008-11-05		Group 2
		FAS	2008-11-06		Group 2
		FAZ	2008-11-06		Group 2
		VXX	2009-01-29		Group 2
		XIV	2010-11-29		Group 2
	CANADA	EWC	1996-03-12	Group 2	Group 2
	MEXICO	EWW	1996-03-12	Group 2	Group 2

APPENDIX: ETF GROUPS SPLIT

All Groups (cont'd)

Region	Country	Ticker	Inception	Before 2007	After 2007
SOUTH AMERICA		EWZ	2000-07-10	Group 2	Group 2
		ECH	2007-11-12		Group 2
EUROPE		EWD	1996-03-12	Group 3	Group 3
		EWG	1996-03-12	Group 3	Group 3
		EWI	1996-03-12	Group 3	Group 3
		EWL	1996-03-12	Group 3	Group 3
		EWN	1996-03-12	Group 3	Group 3
		EWP	1996-03-12	Group 3	Group 3
		EWQ	1996-03-12	Group 3	Group 3
		EWU	1996-03-12	Group 3	Group 3
ASIA	**JAPAN**	EWJ	1996-03-12	Group 4	Group 4
	CHINA	FXI	2004-10-05	Group 4	Group 4
		FXP	2007-11-06		Group 4
	INDIA	EPI	2008-02-22		Group 4
		PIN	2008-03-05		Group 4
	REST	EWH	1996-03-12	Group 4	Group 4
		EWM	1996-03-12	Group 4	Group 4
		EWS	1996-03-12	Group 4	Group 4
		EWY	2000-05-09	Group 4	Group 4
		EWT	2000-06-20	Group 4	Group 4
		THD	2008-03-26		Group 4
		IDX	2009-01-15		Group 4
		EIDO	2010-05-05		Group 4
AUSTRALIA		EWA	1996-03-12	Group 4	Group 4
AFRICA		EZA	2003-02-03	Group 4	Group 4
EURASIA		RSX	2007-04-24		Group 4
		TUR	2008-03-26		Group 4
		ERUS	2010-11-10		Group 4

APPENDIX: ETF GROUPS SPLIT

All Groups (cont'd)

FX, SEC	Country	Ticker	Inception	Before 2007	After 2007
CURRENCIES		FXE	2005-12-09	Group FX	Group FX
		FXA	2006-06-21	Group FX	Group FX
		FXF	2006-06-21	Group FX	Group FX
		FXY	2007-02-12		Group FX
		UUP	2007-02-20		Group FX
		CYB	2008-05-14		Group FX
		EUO	2008-11-24		Group FX
		YCS	2008-11-24		Group FX
		CEW	2009-05-06		Group FX
SECTORS		XLY	1998-12-16	Group SEC	Group SEC
		XLP	1998-12-16	Group SEC	Group SEC
		XLE	1998-12-16	Group SEC	Group SEC
		XLV	1998-12-16	Group SEC	Group SEC
		XLI	1998-12-16	Group SEC	Group SEC
		XLB	1998-12-16	Group SEC	Group SEC
		XLK	1998-12-16	Group SEC	Group SEC
		XLU	1998-12-16	Group SEC	Group SEC
		IYR	2000-06-12	Group SEC	Group SEC
		XHB	2006-01-31	Group SEC	Group SEC
		GDX	2006-05-16	Group SEC	Group SEC
		XRT	2006-06-19	Group SEC	Group SEC
		XOP	2006-06-19	Group SEC	Group SEC
		ERY	2008-11-06		Group SEC
		ERX	2008-11-06		Group SEC
		AMLP	2010-08-25		Group SEC

APPENDIX: ETF GROUPS SPLIT

All Groups (cont'd)

B, C	Country	Ticker	Inception	Before 2007	After 2007
BONDS		SHY	2002-07-22	B	B
		TLT	2002-07-22	B	B
		BND	2007-04-03		B
		HYG	2007-04-04		B
		BIL	2007-05-25		B
		JNK	2007-11-28		B
		TBT	2008-04-29		B
COMMODITIES		GLD	2004-11-18	C	C
		IAU	2005-01-21	C	C
		DBC	2006-02-03	C	C
		SLV	2006-04-02	C	C
		USO	2006-04-10	C	C
		DBA	2007-01-05		C
		DZZ	2008-02-27		C
		UCO	2008-11-24		C
		SCO	2008-11-24		C
		ZSL	2008-12-01		C
		AGQ	2008-12-01		C
		GLL	2008-12-01		C