Global ETF Switcher Strategies

Monthly Review: June 04 –July 06, 2012

QUANTITATIVE FINANCE & TECHNICAL TRADING

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SECTION 1: DISCUSSION

Greetings to all our readers!

So, here goes our 5th Switcher report! And we have a cause to celebrate, if for nothing else but for keeping up the effort for all our good followers in our site and StockTwits! So we extend our appreciation to everybody for taking the time to consider our releases.

OK, let's see what we got this month first and then we will discuss our performance from inception. Strategy #1 has performed above or par with the market (SPY) for almost all our ETF groups and both the pre-and-post 2007 asset groups. A major difference between the pre-and-post 2007 groups is that in the former we do not experience the drop into negative territory that can be seen in the latter; have a look at the first two figures in Section 2. For the pre-2007 group the best performer in Strategy#1 (and overall best performer) is Group #1, with the Global ETF allocation, with a return of 4.93%. The second best performer is Group #4, with the Asia etc. ETF allocation, with a return of 4.74%. This last group has been one of the best overall performers since inception of the Switcher report. For the post-2007 group the best performer is commodities group, Group C, with a return of 9.16%, followed by the North & South America, Group 2, with a return of 5.99% - both are from strategy #1. This last group appears to be the overall winner for this month since it has almost double the return of SPY, lower drawdown and a Sharpe ratio over 4. In addition, we can see that for this month the performance of certain portfolios is excellent – if you check the relevant tables you will see, for example, that the performance of Strategy #1 portfolio, for the post-2007 group, which includes bonds and commodities is surpassing the single equity strategies with consistently higher returns and lower drawdown across all groups! This column is marked in **green**, so check it out (we have also marked in **green** other winning strategies which you can now easily locate in the tables).

Turning now to the overall performance since inception we see a continuation of a pattern which we have discussed in our previous reports. There are certain strategies that will consistently outperform the market by a very wide margin. The problem, of

course, is that we cannot pinpoint those in advance. The one constant in this variation is the performance of the Asia Group 4, which has given since inception a healthy 15%+ in both the pre and the post-2007 groups using Strategy#2. Also, for the post-2007 group we can see that the Sectors Group SEC, the Commodities Group C and the overall picks group have all given a cumulative return ranging from 4% to over 9%, way over from the cumulative return of SPY during the same period. You will find, however, that the most robust overall performance during this whole period was given by the post-2007 portfolio of the Sectors' group along with bonds and commodities for Strategy #1: here we can see a cumulative return of 11.5% and the lowest number of switches amongst the winning strategies.

That's it for now, keep coming back for more and – as always – we are looking forward to your criticisms and feedback.

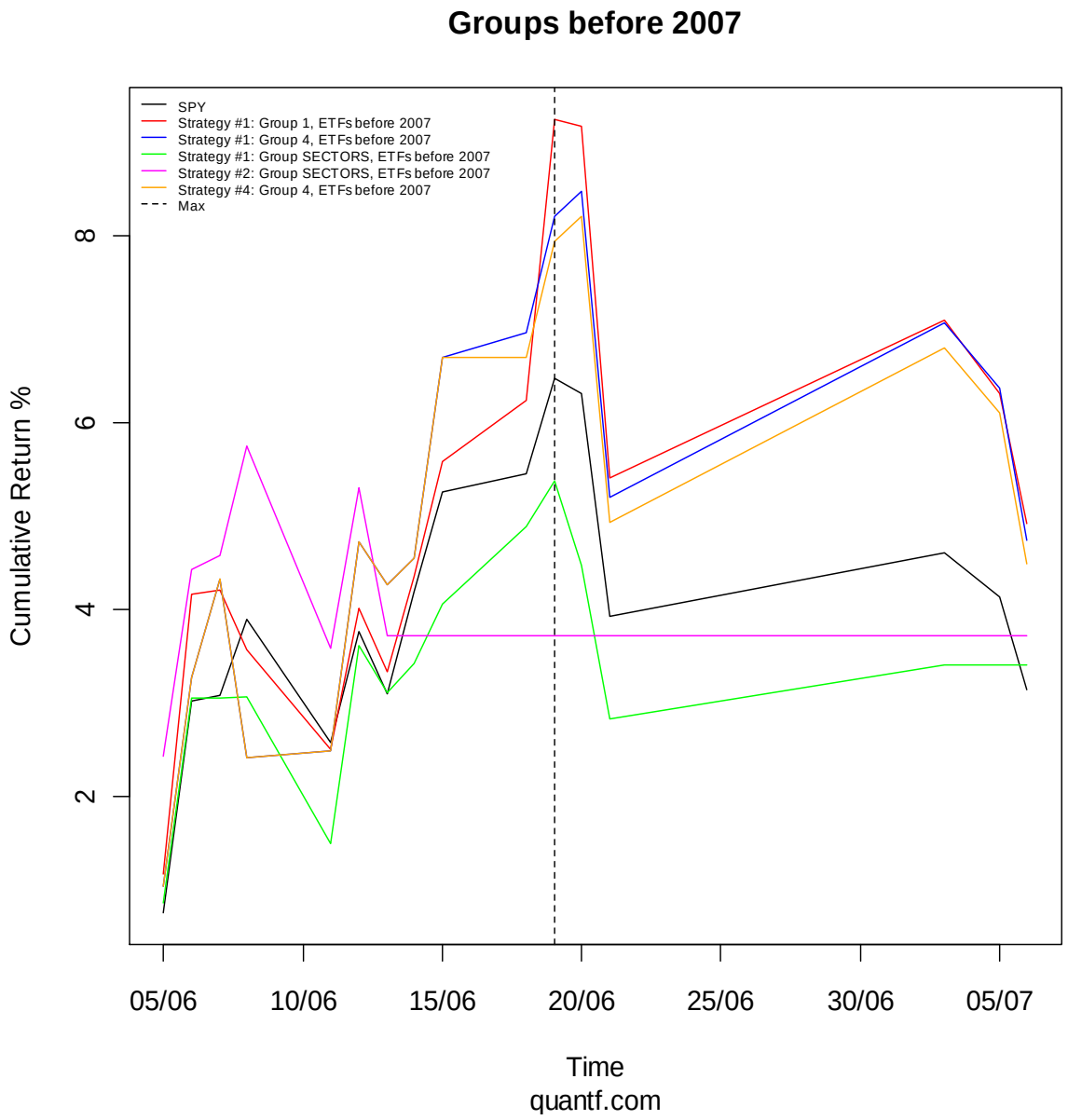
Oh, and don't forget to regularly check our weekly TNA/TZA Pair Trading that was launched some weeks ago!!

*** DURING JUNE 21 – JULY 02 THE SITE WAS NOT UPDATED. THIS IS ALSO THE CASE IN THE EVALUATION. HENCE WE WERE OUT OF THE MARKET ***

With best wishes,
Fotis Papailias and Dimitrios Thomakos

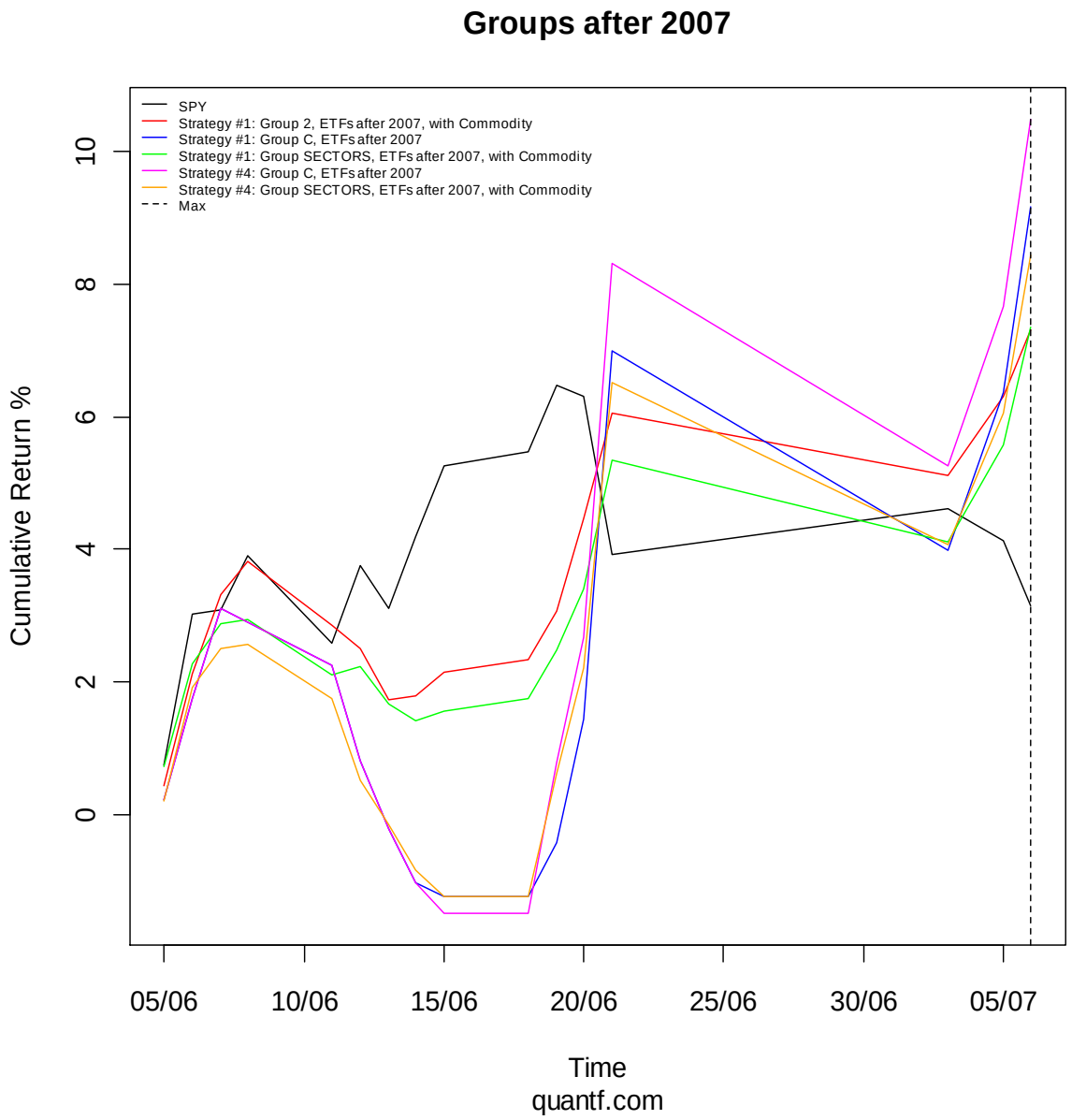
SECTION 2: OVERVIEW JUNE 04 – JULY 06, 2012

Top 5 Switcher Strategies using ETFs issued before 2007



OVERVIEW JUNE 04 – JULY 06, 2012

Top 5 Switcher Strategies using ETFs issued after 2007



MARKET SENTIMENT JUNE 04 – JULY 06, 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.	3.147%	-4.229%	-1.370%
Sharpe	2.84	-4.16	-1.44
Drawdown	3.100%	4.599%	3.634%
Duration	5	6	15
Statistic	**IWM**	**SLV**	**JNK**
Cum. Ret.	4.090%	-6.410%	3.523%
Sharpe	2.85	-3.36	7.51
Drawdown	2.581%	9.857%	0.566%
Duration	5	14	4

GLOBAL ETF SWITCHER PICKS JUNE 04 – JULY 06, 2012

ETFs issued before 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	4.928%	-1.945%	-1.586%	-2.264%
	Sharpe	3.05	-1.28	-5.41	-1.56
	Drawdown	3.958%	5.576%	1.637%	6.196%
	Duration	5	13	13	13
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	0.492%	-0.804%	-0.401%	-7.098%
	Sharpe	0.40	-0.59	-3.97	-5.40
	Drawdown	4.939%	3.900%	0.401%	9.265%
	Duration	8	10	14	14
EUROPE (Group 3)	Cum. Ret.	1.167%	-4.704%	0.644%	-2.389%
	Sharpe	0.98	-3.57	3.23	-1.91
	Drawdown	4.080%	8.006%	0.128%	6.067%
	Duration	4	13	13	13
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	4.746%	0.639%	0.000%	4.486%
	Sharpe	3.14	0.48	0.00	2.98
	Drawdown	3.440%	5.061%	0.000%	3.440%
	Duration	4	5	0	4
CURRENCIES (Group FX)	Cum. Ret.	0.193%	-1.616%	0.193%	0.193%
	Sharpe	0.28	-2.05	0.28	0.28
	Drawdown	3.460%	3.864%	3.460%	3.460%
	Duration	5	6	5	5
SECTORS (Group SEC)	Cum. Ret.	3.410%	3.716%	0.016%	3.120%
	Sharpe	3.26	3.27	3.97	3.51
	Drawdown	2.412%	2.047%	0.000%	1.526%
	Duration	5	12	0	10
BONDS (B)	Cum. Ret.	0.597%	0.597%	0.000%	0.597%
	Sharpe	5.00	5.00	0.000%	5.00
	Drawdown	0.024%	0.024%	0.000%	0.024%
	Duration	1	1	0	1
COMMODITIES (C)	Cum. Ret.	-4.187%	-4.270%	-2.428%	-4.187%
	Sharpe	-4.06	-4.19	-3.61	-4.06
	Drawdown	4.587%	4.663%	2.490%	4.587%
	Duration	6	6	14	6
All Around Picks	Cum. Ret.	-2.786%	-2.692%	-0.888%	-2.786%
	Sharpe	-2.90	-2.82	-1.29	-2.90
	Drawdown	4.587%	4.663%	3.305%	4.587%
	Duration	6	6	5	6

GLOBAL ETF SWITCHER PICKS JUNE 04 – JULY 06, 2012

ETFs issued after 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	1.148%	-1.235%	-2.458%	-1.937%
	Sharpe	0.76	-0.78	-5.45	-1.05
	Drawdown	5.307%	4.892%	2.535%	5.149%
	Duration	5	13	13	13
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	5.989%	0.714%	1.793%	1.287%
	Sharpe	4.59	0.47	4.03	1.14
	Drawdown	2.489%	10.553%	0.018%	4.270%
	Duration	5	10	4	12
EUROPE (Group 3)	Cum. Ret.	1.158%	-4.704%	0.662%	-2.389%
	Sharpe	0.97	-3.57	3.33	-1.91
	Drawdown	4.089%	8.006%	0.137%	6.067%
	Duration	8	13	13	13
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	1.162%	1.022%	0.009%	3.827%
	Sharpe	0.70	0.56	1.07	2.00
	Drawdown	4.592%	6.561%	0.018%	3.606%
	Duration	7	5	4	5
CURRENCIES (Group FX)	Cum. Ret.	2.891%	-3.353%	0.009%	1.279%
	Sharpe	3.68	-3.68	1.07	1.67
	Drawdown	2.127%	3.864%	0.018%	2.404%
	Duration	5	9	4	5
SECTORS (Group SEC)	Cum. Ret.	4.043%	-1.320%	-0.064%	0.426%
	Sharpe	3.69	-0.96	-3.54	0.67
	Drawdown	2.412%	5.089%	0.091%	1.732%
	Duration	5	12	14	13
BONDS (B)	Cum. Ret.	4.161%	0.594%	0.009%	0.246%
	Sharpe	7.99	4.97	1.07	1.27
	Drawdown	0.824%	0.024%	0.018%	0.543%
	Duration	4	4	4	12
COMMODITIES (C)	Cum. Ret.	9.157%	-14.823%	4.516%	10.487%
	Sharpe	4.60	-4.27	4.05	5.08
	Drawdown	4.212%	14.823%	3.230%	4.453%
	Duration	9	15	12	9
All Around Picks	Cum. Ret.	2.388%	-8.782%	4.960%	5.094%
	Sharpe	1.25	-2.62	4.31	2.59
	Drawdown	4.592%	11.787%	3.230%	3.606%
	Duration	7	11	12	4

GLOBAL ETF SWITCHER PICKS JUNE 04 – JULY 06, 2012

Number of "Switches"

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

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.	1.700%	-0.800%	-0.500%	-2.100%
	Sharpe	2.67	-1.03	-0.94	-3.42
	Drawdown	1.600%	2.700%	2.100%	3.000%
	Duration	5	5	13	6
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-0.500%	-1.900%	0.200%	-1.700%
	Sharpe	-0.59	-2.46	0.48	-2.91
	Drawdown	2.300%	3.000%	1.300%	2.700%
	Duration	8	8	10	6
EUROPE (Group 3)	Cum. Ret.	0.900%	-1.200%	-1.400%	-2.600%
	Sharpe	1.78	-1.85	-3.03	-4.50
	Drawdown	1.400%	2.800%	2.700%	3.300%
	Duration	4	6	13	14
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	1.800%	-0.500%	-0.100%	-1.700%
	Sharpe	2.54	-0.63	-0.06	-2.27
	Drawdown	1.600%	2.600%	2.000%	3.000%
	Duration	5	5	7	6
CURRENCIES (Group FX)	Cum. Ret.	0.400%	-1.400%	-0.500%	-2.000%
	Sharpe	1.07	-2.35	-1.57	-3.69
	Drawdown	1.500%	2.700%	1.600%	2.800%
	Duration	5	7	5	6
SECTORS (Group SEC)	Cum. Ret.	1.300%	-0.700%	1.400%	-0.700%
	Sharpe	3.08	-1.22	3.22	-1.44
	Drawdown	1.000%	2.200%	0.900%	1.800%
	Duration	5	6	12	6

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 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.	-0.700%	-1.300%	-1.000%	-2.200%
	Sharpe	-5.46	-5.63	-1.79	-3.43
	Drawdown	0.700%	1.400%	2.600%	3.200%
	Duration	13	14	13	6
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-0.200%	-1.100%	-3.600%	-3.700%
	Sharpe	-3.97	-4.03	-5.87	-5.71
	Drawdown	0.200%	1.100%	4.600%	4.300%
	Duration	14	14	14	14
EUROPE (Group 3)	Cum. Ret.	0.300%	-0.800%	-0.500%	-2.100%
	Sharpe	3.27	-3.54	-1.08	-3.61
	Drawdown	0.100%	1.000%	2.200%	3.100%
	Duration	13	3	13	6
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.000%	-0.900%	1.700%	-0.600%
	Sharpe	0	-3.81	2.40	-0.71
	Drawdown	0.000%	1.000%	1.600%	2.600%
	Duration	0	4	5	5
CURRENCIES (Group FX)	Cum. Ret.	0.200%	-0.01	0.00	-0.01
	Sharpe	0.63	-1.64	1.07	-2.35
	Drawdown	1.500%	1.900%	1.500%	2.700%
	Duration	5	5	5	7
SECTORS (Group SEC)	Cum. Ret.	0.000%	-0.900%	1.200%	-0.700%
	Sharpe	3.97	-3.76	3.36	-1.49
	Drawdown	0.000%	1.000%	0.700%	1.800%
	Duration	0	4	10	6

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.	2.500%	6.000%	0.300%	-7.400%
	Sharpe	2.38	7.64	0.32	-4.24
	Drawdown	2.800%	1.500%	3.600%	7.500%
	Duration	5	8	10	11
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	5.000%	7.300%	-1.700%	-9.500%
	Sharpe	5.53	8.34	-0.90	-5.16
	Drawdown	1.600%	2.000%	8.600%	9.500%
	Duration	4	7	10	15
EUROPE (Group 3)	Cum. Ret.	3.400%	6.900%	-2.700%	-10.900%
	Sharpe	4.22	7.48	-2.48	-5.62
	Drawdown	2.000%	1.400%	5.600%	10.900%
	Duration	4	7	13	15
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	2.000%	4.800%	1.000%	-6.900%
	Sharpe	1.42	5.01	0.61	-2.65
	Drawdown	3.000%	1.800%	5.600%	8.300%
	Duration	7	8	5	11
CURRENCIES (Group FX)	Cum. Ret.	3.300%	6.000%	-2.900%	-8.600%
	Sharpe	5.23	8.38	-3.83	-4.62
	Drawdown	1.400%	1.000%	3.200%	8.600%
	Duration	4	7	9	15
SECTORS (Group SEC)	Cum. Ret.	4.000%	7.400%	-0.300%	-10.200%
	Sharpe	5.53	7.93	-0.30	-4.29
	Drawdown	1.400%	1.500%	3.100%	10.200%
	Duration	5	7	12	15

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.

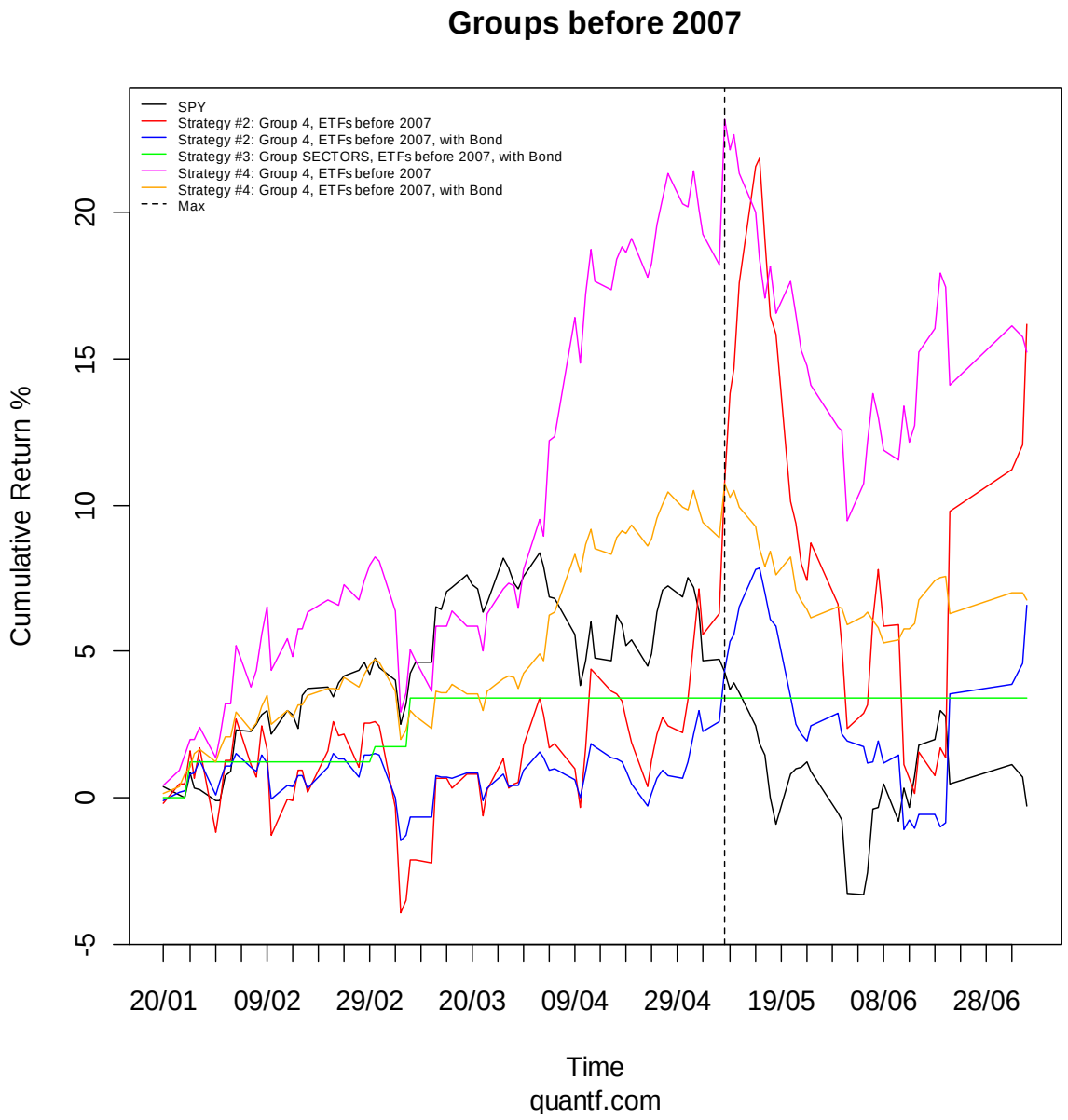
ETFs issued after 2007: Strategies #3 and #4

Picks	Statistic	Strategy #3		Strategy #4	
		Equity+B	Equity+B+C	Equity+B	Equity+B+C
GLOBAL (Group 1)	Cum. Ret.	-2.200%	2.600%	0.000%	6.700%
	Sharpe	-5.46	2.66	0.08	6.05
	Drawdown	2.300%	3.600%	4.000%	2.800%
	Duration	13	12	10	8
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	1.700%	4.200%	1.000%	6.200%
	Sharpe	4.04	4.24	1.03	5.17
	Drawdown	0.000%	2.800%	3.400%	4.100%
	Duration	4	12	12	8
EUROPE (Group 3)	Cum. Ret.	0.600%	3.700%	-0.900%	6.400%
	Sharpe	3.33	3.93	-0.85	4.52
	Drawdown	0.100%	2.800%	4.300%	3.600%
	Duration	13	12	12	8
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.000%	3.800%	4.900%	7.300%
	Sharpe	1.07	3.98	2.82	6.84
	Drawdown	0.000%	2.800%	3.300%	2.000%
	Duration	4	12	2	6
CURRENCIES (Group FX)	Cum. Ret.	0.00	0.04	0.02	0.06
	Sharpe	1.07	3.98	2.46	6.76
	Drawdown	0.000%	2.800%	2.100%	1.600%
	Duration	4	12	5	7
SECTORS (Group SEC)	Cum. Ret.	-0.100%	3.800%	1.300%	8.400%
	Sharpe	-3.46	4.03	2.37	5.07
	Drawdown	0.100%	2.800%	1.000%	3.700%
	Duration	14	12	12	8

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.

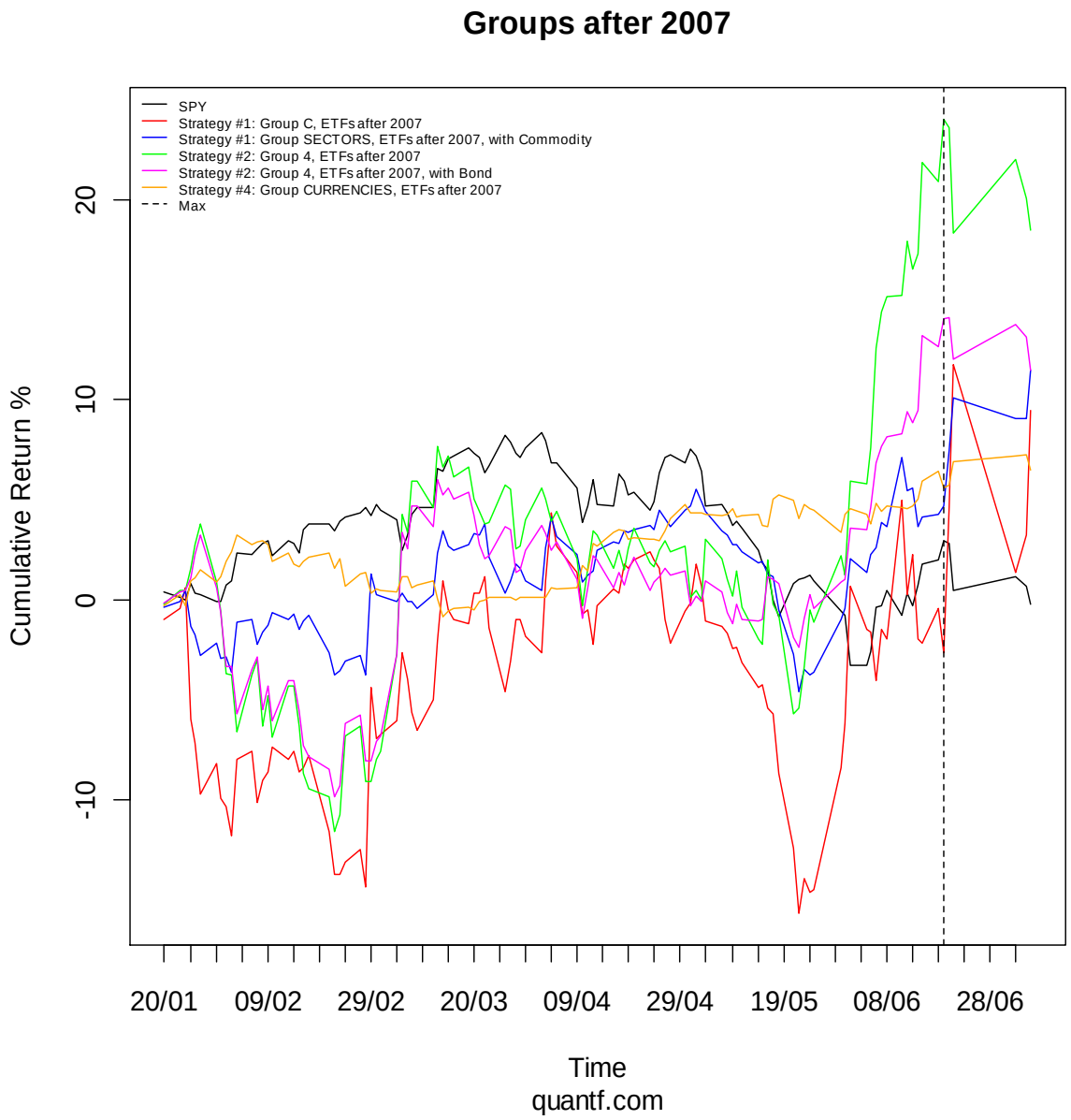
SECTION 2: OVERVIEW JAN. 18 – JULY 06, 2012

Top 5 Switcher Strategies using ETFs issued before 2007



OVERVIEW JAN. 18 – JULY 06, 2012

Top 5 Switcher Strategies using ETFs issued after 2007



MARKET SENTIMENT JAN. 18 – JULY 06, 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.	-0.254%	-5.518%	9.415%
Sharpe	0.02	-0.63	1.44
Drawdown	10.800%	13.851%	8.466%
Duration	58	82	71
Statistic	**IWM**	**SLV**	**JNK**
Cum. Ret.	-3.078%	-11.927%	2.383%
Sharpe	-0.30	-0.86	0.84
Drawdown	13.982%	26.897%	5.394%
Duration	63	82	38

GLOBAL ETF SWITCHER PICKS JAN. 18 – JULY 06, 2012

ETFs issued before 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	-6.355%	-18.527%	-5.138%	-10.907%
	Sharpe	-0.72	-2.77	-0.87	-1.47
	Drawdown	17.937%	23.155%	9.716%	17.922%
	Duration	80	103	38	79
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-16.178%	-8.245%	-7.600%	-20.026%
	Sharpe	-1.87	-0.97	-1.94	-2.85
	Drawdown	25.796%	16.975%	7.600%	24.279%
	Duration	82	63	107	105
EUROPE (Group 3)	Cum. Ret.	-16.511%	-19.345%	-7.527%	-13.274%
	Sharpe	-1.48	-2.26	-2.04	-1.31
	Drawdown	23.283%	22.893%	8.501%	17.162%
	Duration	82	87	51	78
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.025%	**16.165%**	-10.895%	**15.261%**
	Sharpe	0.10	**1.39**	0.00	**1.81**
	Drawdown	14.264%	**17.793%**	10.895%	**11.148%**
	Duration	37	**39**	66	**33**
CURRENCIES (Group FX)	Cum. Ret.	-3.355%	-6.098%	-0.026%	-2.164%
	Sharpe	-0.83	-1.60	0.03	-0.54
	Drawdown	9.026%	8.693%	5.283%	7.904%
	Duration	84	94	84	84
SECTORS (Group SEC)	Cum. Ret.	-0.203%	1.414%	3.436%	-4.854%
	Sharpe	0.04	0.34	2.45	-0.98
	Drawdown	10.027%	3.862%	0.000%	9.647%
	Duration	88	32	0	103
BONDS (B)	Cum. Ret.	2.059%	2.059%	0.012%	2.059%
	Sharpe	0.63	0.63	0.10	0.63
	Drawdown	4.397%	4.397%	0.178%	4.397%
	Duration	53	53	44	53
COMMODITIES (C)	Cum. Ret.	-23.382%	-19.387%	-10.403%	-23.382%
	Sharpe	-2.57	-2.56	-1.91	-2.57
	Drawdown	29.241%	25.091%	15.090%	29.241%
	Duration	82	82	103	82
All Around Picks	Cum. Ret.	-23.231%	-17.990%	-10.845%	-23.461%
	Sharpe	-3.05	-2.54	-1.69	-3.06
	Drawdown	27.937%	23.208%	17.129%	28.153%
	Duration	82	99	82	82

GLOBAL ETF SWITCHER PICKS JAN. 18 – JULY 06, 2012

ETFs issued after 2007

Picks	Statistic	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	Cum. Ret.	-12.551%	-10.212%	-9.785%	-19.110%
	Sharpe	-1.40	-0.95	-1.89	-2.58
	Drawdown	23.868%	17.113%	11.498%	25.045%
	Duration	80	79	59	79
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-11.046%	-28.950%	-7.186%	-17.688%
	Sharpe	-1.41	-2.31	-1.88	-2.73
	Drawdown	23.561%	33.192%	7.441%	23.502%
	Duration	72	71	108	82
EUROPE (Group 3)	Cum. Ret.	-16.534%	-19.367%	-7.518%	-13.298%
	Sharpe	-1.48	-2.26	-2.04	-1.31
	Drawdown	23.290%	22.886%	8.459%	17.177%
	Duration	82	87	51	78
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-16.248%	**18.481%**	-0.979%	-9.701%
	Sharpe	-1.37	**1.35**	-1.57	-0.78
	Drawdown	31.696%	**14.833%**	1.024%	25.904%
	Duration	87	**57**	104	87
CURRENCIES (Group FX)	Cum. Ret.	2.862%	-8.567%	-1.938%	6.523%
	Sharpe	0.77	-2.27	-0.83	1.84
	Drawdown	5.600%	9.754%	3.975%	4.017%
	Duration	72	84	87	48
SECTORS (Group SEC)	Cum. Ret.	**6.018%**	-6.315%	2.081%	6.316%
	Sharpe	**1.14**	-1.03	1.85	1.36
	Drawdown	**6.577%**	11.744%	0.045%	4.780%
	Duration	**55**	105	31	62
BONDS (B)	Cum. Ret.	-1.994%	-1.650%	0.116%	-6.338%
	Sharpe	-0.22	-0.41	1.28	-1.47
	Drawdown	11.670%	7.451%	0.071%	8.150%
	Duration	80	104	57	86
COMMODITIES (C)	Cum. Ret.	**9.479%**	-19.266%	-4.819%	-6.675%
	Sharpe	**0.68**	-0.97	-0.38	-0.19
	Drawdown	**19.206%**	33.186%	11.216%	22.410%
	Duration	**44**	108	77	56
All Around Picks	Cum. Ret.	**4.040%**	-17.611%	-21.845%	-10.773%
	Sharpe	**0.50**	-1.09	-3.35	-1.10
	Drawdown	**15.207%**	27.479%	22.450%	21.418%
	Duration	**87**	108	107	87

GLOBAL ETF SWITCHER PICKS JAN. 18 – JULY 06, 2012

Number of "Switches"

ETFs issued before 2007				
Picks	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	27	53	25	41
NORTH & SOUTH AMERICA (Group 2)	14	69	22	43
EUROPE (Group 3)	23	56	14	36
ASIA/AUS/AFR/EURASIA (Group 4)	31	52	24	43
CURRENCIES (Group FX)	23	38	40	32
SECTORS (Group SEC)	36	58	7	36
BONDS (B)	20	20	9	20
COMMODITIES (C)	27	30	36	27
All Around Picks	38	47	65	47
ETFs issued after 2007				
Picks	Strategy #1	Strategy #2	Strategy #3	Strategy #4
GLOBAL (Group 1)	12	68	20	29
NORTH & SOUTH AMERICA (Group 2)	15	77	22	33
EUROPE (Group 3)	23	56	14	36
ASIA/AUS/AFR/EURASIA (Group 4)	10	78	6	29
CURRENCIES (Group FX)	17	54	19	40
SECTORS (Group SEC)	34	55	5	34
BONDS (B)	22	40	9	33
COMMODITIES (C)	18	45	29	31
All Around Picks	31	81	44	43

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.	-3.300%	-11.200%	-6.800%	-11.100%
	Sharpe	-0.91	-2.23	-2.47	-2.72
	Drawdown	8.000%	15.800%	8.300%	14.600%
	Duration	80	82	103	82
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-9.900%	-15.100%	-3.400%	-8.700%
	Sharpe	-2.44	-2.97	-0.91	-2.29
	Drawdown	14.200%	19.600%	7.000%	12.900%
	Duration	82	82	73	82
EUROPE (Group 3)	Cum. Ret.	-7.500%	-14.100%	-7.100%	-11.100%
	Sharpe	-1.36	-2.41	-2.02	-2.58
	Drawdown	10.400%	18.200%	9.600%	15.200%
	Duration	82	82	87	85
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	0.100%	-8.700%	**6.600%**	-2.100%
	Sharpe	0.08	-1.80	**1.23**	-0.40
	Drawdown	6.800%	14.100%	**8.300%**	10.500%
	Duration	37	82	**39**	82
CURRENCIES (Group FX)	Cum. Ret.	-0.300%	-10.100%	-1.800%	-8.400%
	Sharpe	-0.08	-2.43	-0.78	-2.33
	Drawdown	4.200%	14.200%	3.500%	11.800%
	Duration	84	82	94	82
SECTORS (Group SEC)	Cum. Ret.	0.300%	-9.000%	0.900%	-6.300%
	Sharpe	0.12	-1.98	0.39	-1.72
	Drawdown	5.100%	13.800%	2.400%	9.300%
	Duration	88	82	35	82

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 – JULY 06, 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.	-2.800%	-5.600%	-4.600%	-11.800%
	Sharpe	-0.95	-1.76	-1.41	-2.42
	Drawdown	5.100%	7.500%	7.800%	15.900%
	Duration	38	103	79	82
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-4.200%	-6.400%	-11.50%	-15.800%
	Sharpe	-1.92	-2.48	-3.35	-3.29
	Drawdown	4.200%	7.800%	13.200%	19.200%
	Duration	107	103	82	82
EUROPE (Group 3)	Cum. Ret.	-5.000%	-7.100%	-5.300%	-12.000%
	Sharpe	-2.13	-2.53	-1.05	-2.23
	Drawdown	5.500%	8.700%	6.800%	15.300%
	Duration	51	103	78	85
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-6.400%	-7.800%	**6.800%**	-4.700%
	Sharpe	-3.61	-3.32	**1.76**	-0.93
	Drawdown	6.400%	9.200%	**4.900%**	10.900%
	Duration	89	103	**33**	40
CURRENCIES (Group FX)	Cum. Ret.	0.000%	-0.04	0.00	-0.10
	Sharpe	0.04	-1.47	0.05	-2.40
	Drawdown	2.500%	6.600%	3.900%	13.900%
	Duration	84	82	84	82
SECTORS (Group SEC)	Cum. Ret.	1.500%	-2.600%	-2.200%	-10.300%
	Sharpe	2.45	-1.21	-0.73	-2.51
	Drawdown	0.100%	5.000%	4.900%	13.400%
	Duration	15	103	103	85

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.	-7.400%	0.500%	-6.800%	-15.700%
	Sharpe	-1.05	0.15	-1.05	-1.51
	Drawdown	17.500%	12.400%	11.600%	20.500%
	Duration	80	71	103	108
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-7.900%	-0.800%	-20.10%	-25.800%
	Sharpe	-1.23	-0.05	-2.25	-2.37
	Drawdown	18.500%	14.800%	22.600%	27.400%
	Duration	80	71	71	108
EUROPE (Group 3)	Cum. Ret.	-9.600%	0.700%	-11.00%	-21.100%
	Sharpe	-1.20	0.18	-1.92	-1.76
	Drawdown	17.600%	12.400%	13.300%	23.300%
	Duration	63	71	88	108
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-10.30%	-3.400%	11.500%	-3.400%
	Sharpe	-1.08	-0.42	1.18	-0.17
	Drawdown	24.000%	15.700%	12.700%	21.600%
	Duration	87	71	57	108
CURRENCIES (Group FX)	Cum. Ret.	1.300%	**5.200%**	-4.100%	-12.400%
	Sharpe	0.40	**0.91**	-1.30	-1.54
	Drawdown	4.400%	**5.500%**	5.600%	16.300%
	Duration	71	**25**	84	108
SECTORS (Group SEC)	Cum. Ret.	-0.900%	**11.500%**	-3.900%	-17.600%
	Sharpe	-0.06	**1.44**	-0.83	-1.47
	Drawdown	11.400%	**9.600%**	9.500%	25.700%
	Duration	56	**25**	105	108

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 – JULY 06, 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.	-6.600%	-5.200%	-14.20%	-11.200%
	Sharpe	-1.64	-0.55	-2.44	-1.41
	Drawdown	8.100%	13.000%	18.500%	18.200%
	Duration	105	77	79	56
NORTH & SOUTH AMERICA (Group 2)	Cum. Ret.	-5.500%	-7.600%	-13.50%	-12.400%
	Sharpe	-1.77	-0.79	-2.72	-1.63
	Drawdown	5.700%	11.400%	18.400%	18.600%
	Duration	108	78	82	71
EUROPE (Group 3)	Cum. Ret.	-5.500%	-5.100%	-9.900%	-6.800%
	Sharpe	-2.13	-0.55	-1.41	-0.58
	Drawdown	6.300%	11.000%	12.500%	16.300%
	Duration	86	77	78	56
ASIA/AUS AFR/EURASIA (Group 4)	Cum. Ret.	-0.800%	-2.900%	-6.100%	-10.900%
	Sharpe	-1.40	-0.26	-0.59	-1.46
	Drawdown	0.900%	8.900%	20.400%	18.700%
	Duration	68	77	87	71
CURRENCIES (Group FX)	Cum. Ret.	-0.02	-0.06	0.02	-0.02
	Sharpe	-0.87	-0.93	0.56	-0.21
	Drawdown	3.600%	8.900%	3.700%	8.700%
	Duration	87	106	58	37
SECTORS (Group SEC)	Cum. Ret.	1.900%	1.600%	-2.500%	-4.100%
	Sharpe	1.96	0.29	-0.43	-0.34
	Drawdown	0.100%	7.600%	7.900%	15.000%
	Duration	28	75	61	37

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