

ETF Advisor

Strategy & trade ideas for ETF investors

January 2010

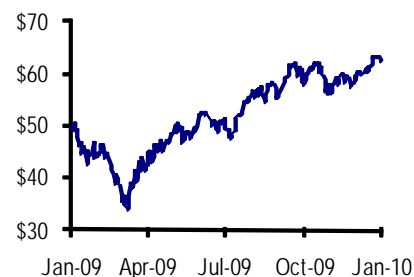
In this month's edition:

- **Review: Back from the depths.** The rally in stocks since March is more a function of how hard they fell during the sell-off than a reflection of economic strength.
- **Outlook: Earnings bounce.** The earnings recession is over but S&P profits will probably only get back to 2005 levels by the end of the year.
- **Special Feature: Shopping for consumer stocks.** We examine international consumer sector ETFs in an effort to minimize exposure to the newly-thrifty American consumer.
- **Valuation Tables:** Updated valuation multiples for every ETF we cover. Funds are arranged by category, in descending order of assets under management.

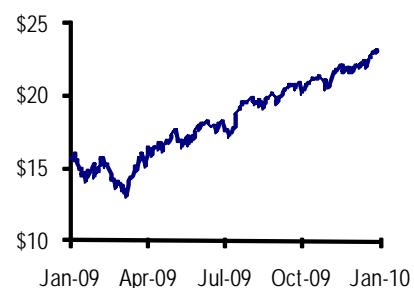
Table 1: Monthly performance statistics

Broad Market ETFs	Price (12/31/09)	Change (1 month)	2010E EPS	P/E (x)
S&P 500* (SPY)	111.44	1.4%	\$7.68	14.5
Dow Industrials (DIA)	104.07	0.5	7.79	13.4
NASDAQ (QQQQ)	45.75	5.0	2.49	18.4
S&P MidCap (MDY)	131.74	5.7	7.62	17.3
Russell 2000 (IWM)	62.44	7.5	2.69	23.2
MSCI EAFE (EFA)	55.28	-0.2	4.00	13.8
Emerg. Mkts. (EEM)	41.50	2.4	3.27	12.7
Sector SPDRs				
Discretionary (XLY)	29.77	4.0	1.83	16.2
Staples (XLP)	26.47	-1.2	1.94	13.7
Energy (XLE)	57.01	0.3	4.18	13.6
Financials (XLF)	14.40	-1.8	0.97	14.9
Health Care (XLV)	31.07	1.3	2.65	11.7
Industrials (XLI)	27.79	1.0	1.72	16.2
Materials (XLB)	32.99	1.5	1.86	17.7
Technology (XLK)	22.93	5.4	1.38	16.6
Utilities (XLU)	31.02	4.2	2.52	12.3

Russell 2000 (IWM) 1 yr price



Technology (XLK) 1 yr price



*Note: The S&P 500 SPDR (SPY) trades at approx. 1/10th the value of the S&P 500 index; its EPS is also 1/10th.

Sources: Unless otherwise noted, sources for all charts and tables contained in this report are Thomson Financial and AltaVista calculations & estimates.

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Review: Back from the depths

Looking back, 2009 will surely be remembered for the impressive recovery in stocks, especially when measured from the March lows. Many analysts see this as a sign the economy is on the mend, which it certainly appears to be.

However, we also see this as largely a bounce from overly pessimistic depths rather than a return to a healthy economy. In fact, in a simple exercise comparing the returns of major ETFs from the table on the front page, from the high for the S&P500 on October 9, 2007 through the lows on March 9, 2009 (i.e., “pre-crash period”), versus the recovery in stock prices since then (“post-crash period”), it appears that the size of the bounce is largely a function of how dramatically prices fell during the sell-off (Figure 1). On the extreme end is the Financial Sector SPDR (XLF), which lost 82% of its value between October 2007 and March 2009, but has rallied 130% since.

Outlook: Earnings bounce

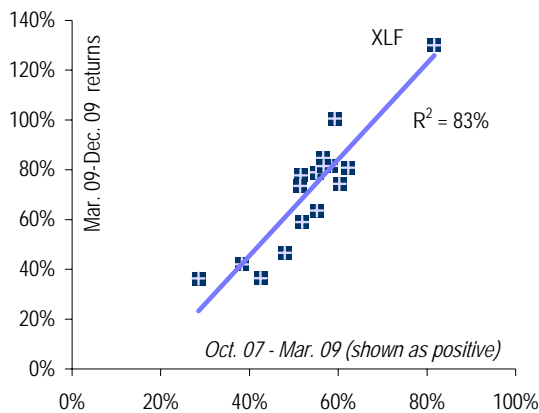
Our first look at the quarterly breakout of S&P500 earnings for 2010 shows that analysts expect profits to increase in a fairly linear fashion throughout the year. If achieved, EPS of \$76.43 would be a gain of 28% compared with 2009. However that still only brings index profits to roughly the level reached in 2005. The S&P500 finished that year at 1,248.29—about 10% higher than it is today but also in the midst of an easy money-fueled boom in Financial sector profits not likely to be repeated in the near future.

In other indices, the earnings story is much the same as with stock prices discussed above: the harder they fell the bigger the rebound this year is likely to be. This is at least partly due to the distorting effect of large write-offs. Simply by ending, they create the impression of strong profit gains even though the level of earnings may remain well below prior peaks.

Among the three major categories of stocks—U.S., developed foreign, and emerging markets—we would encourage investors to focus most heavily on developed markets outside the U.S. In particular, the iShares S&P Europe 350 (IEV), which includes many of the same stocks as the broader iShares MSCI EAFE fund (EFA) but avoids exposure to expensive Japanese stocks, appears attractive.

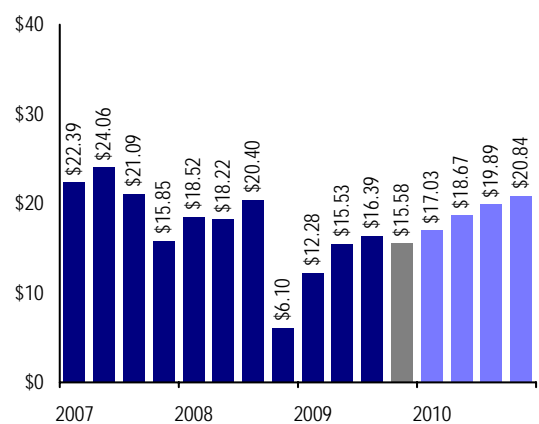
Firms in IEV are trading at 12.8x 2010E EPS and 6.8x cash flow. The fund has an ALTAR Score™ of 9.5% compared with 6.9% for the S&P500 SPDR (SPY) and 7.6% for the iShares Emerging Markets (EEM). The score for EEM is particularly low if the volatility of those stocks is taken into account, and may be a sign that they are overheated despite the generally positive outlook in those economies.

Figure 1: Pre- & Post-Crash Returns
Oct. 07-Mar. 09 (inverted) vs. Mar. 09-Dec. 09



Source: Bloomberg, Thomson-Reuters

Figure 2: S&P500 EPS
Quarterly, 2007-2010E



Source: AltaVista

Special Feature: Shopping for Consumer Stocks

For decades, fortunes have been made by catering to the voracious appetite of the American consumer. Whenever the economy was weak, most politicians and economists, noting that consumption is about 70% of the U.S. economy, sought ways to goose consumption. Indeed, they're doing it again right now.

As readers are probably aware, the U.S. savings rate has been in decline for three decades, as Americans increased consumption faster than earnings. Now, however, wallets have snapped shut, and the savings rate has rebounded significantly (Figure 3). It's possible of course that this is only temporary, but if as we suspect this is a more secular shift in consumers' habits in favor of saving—a very healthy development long-term—then this will have an inescapable effect on stocks in the Consumer Discretionary Sector SPDR (XLY).

So we decided to compare XLY to two funds tracking international Consumer Discretionary stocks:

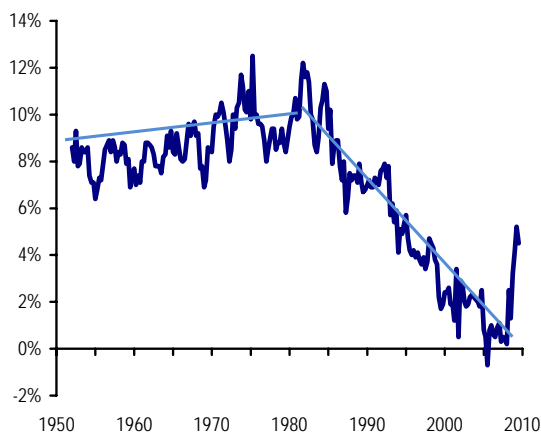
- iShares S&P Global Consumer Discretionary fund (RXI), which is about half outside the U.S.
- SPDR S&P International Consumer Discretionary fund (IPD), made up of purely non-U.S. consumer large caps.

As RXI is really a blend of U.S. and international stocks, contrasting XLY with IPD will give a better idea of the industry-level differences between the domestic and foreign discretionary sectors¹. The domestic sector is dominated by Retailers and Media, at 34% and 29% of assets, respectively, and has seen its exposure to Autos whittled down to just 6%.

In contrast, Autos comprise a third of international consumer discretionary stocks in IPD, followed by Durables (such as appliances) & Apparel (Figure 4). These are very export-oriented industries, providing these firms good exposure to a global recovery in both developed and emerging markets. As a result, analysts expect foreign consumer discretionary firms to grow sales appreciably faster in 2010, at about 5.4%, while sales growth for U.S. firms is likely to be held back to 3.6% by the tight-fisted American consumer (Figure 5).

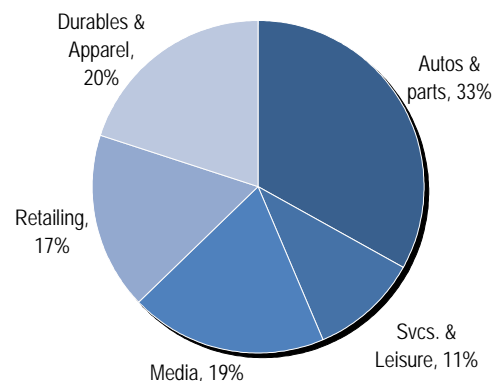
Of course, in the end it's not sales that investors care about as much as profits. In that area American firms hold their own, achieving a slightly higher and more consistent Return on Equity throughout the business cycle, although the anticipated rebound in margins from very depressed levels will lead to much faster EPS growth this year for firms in RXI and IPD (Figure 6).

Figure 3: U.S. Personal Savings Rate
Quarterly figures, 1950-present



Source: Bureau of Economic Analysis

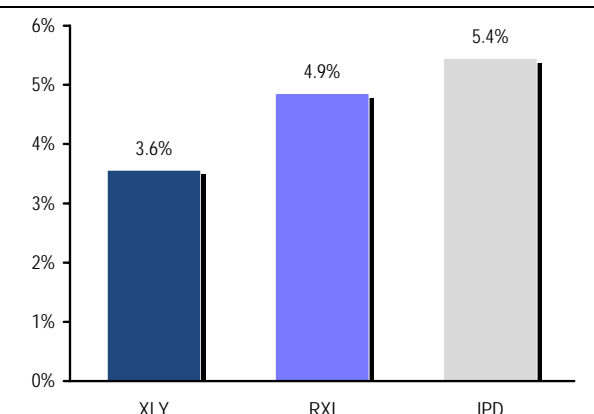
Figure 4: Industry Breakdown
SPDR S&P Int'l Consumer Discretionary (IPD)



Source: AltaVista

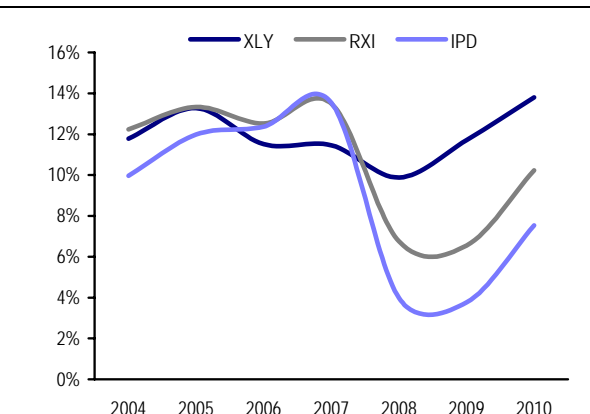
¹ The WisdomTree International Consumer Discretionary Sector fund (DPC) is also worthy of investor consideration, but since 14% of assets are in other sectors it is not a pure consumer play suitable for comparison here.

Figure 5: Sales growth
YoY, 2009-10E



Source: AltaVista

Figure 6: Return on Equity
XLY, RXI & IPD, 2005-10E



Source: AltaVista

But the American firms' profit record is benefiting from "survivorship bias" as several homebuilders and particularly General Motors—whose large losses have been drags on index profitability for years—have been dropped from the index altogether. In other words, without the worst performers of course profits look better.

Further, we have our doubts as to whether the surviving firms will really achieve the consensus estimates for XLY, which imply a return to boom-time profits margins and record Return on Equity. Remember, our calculations are pro forma for stocks in the index now. So will the current crop of firms collectively do better than they did in 2005 and 2006 even with unemployment at elevated levels and with consumers who do have jobs saving more of what they earn?

To us, those assumptions appear too optimistic. In contrast, a rebound in ROE to still below-average levels for foreign discretionary stocks seems more reasonable, and may offer more potential for upside surprise.

In any case, as always we pay close attention to valuation, and here we find glaring differences. Although firms in XLY achieve a moderately higher ROE of 11.6% on average, compared with 9.1% for the non-U.S. firms in IPD (with the blended global index in between), the American stocks trade at a price-to-book value multiple of 2.3x current estimates, a 64% premium to their counterparts in IPD. As a result, even after IPD's higher fees are taken into account, XLY has a lower ALTAR Score™, our rating of an ETF's overall investment merit.

It should be noted that none of these scores is particularly high, but for investors looking to play the economic recovery, Consumer Discretionary stocks are likely to have some of the fastest earnings growth outside of Financials this year, and international stocks in the sector look like a better bet. However the same cannot be said about every sector: in some cases the U.S. Sector SPDR enjoys a higher ALTAR Score™ than its foreign equivalent. With ETFs as with consumer goods, it pays to shop around.

Table 2: Calculation of ALTAR Score™

Index	Avg. ROE 2005-09E (A)	Price-to-Book Value (B)	Less: Expenses (C)	ALTAR Score (A/B) – (C)
Cons. Discr. Sector SPDR (XLY)	11.6%	2.3	21	4.6%
iShares S&P Global Cons. D (RXI)	10.5%	1.8	48	5.2%
SPDR S&P Int'l Cons. Discr. (IPD)	9.1%	1.4	50	5.7%

Note: For more information go to www.etfresearchcenter.com/altar.

Valuation Tables

As of January 6, 2010. See notes at end.

based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
Traditional Indices							
SPY	S&P 500 SPDR	14.8	8.1	1.2	2.1	1.9	6.9
IVV	ISHARES S&P 500	14.8	8.1	1.2	2.1	2.0	6.9
QQQQ	NASDAQ-100 TRACKING STOCK	18.5	13.2	2.2	3.0	0.6	4.6
VTI	VANGUARD TOTAL MARKET	15.4	8.3	1.1	2.0	1.8	6.3
IWM	ISHARES RUSSELL 2000	23.7	9.3	0.8	1.7	1.2	3.2
MDY	S&P MIDCAP 400 SPDR	17.7	9.5	0.9	1.7	1.4	6.2
DIA	DOW INDUSTRIALS DIAMONDS	13.5	8.3	1.2	2.4	2.7	7.2
IJH	ISHARES S&P MIDCAP 400	17.7	9.6	0.9	1.7	1.4	6.3
IJR	ISHARES S&P 600 SMALLCAP	19.3	9.1	0.7	1.5	1.0	5.7
IWB	ISHARES RUSSELL 1000	15.0	8.3	1.1	2.0	1.9	6.7
IWR	ISHARES RUSSELL MIDCAP INDEX	17.3	8.8	0.9	1.9	1.6	5.3
IWV	ISHARES RUSSELL 3000	15.4	8.3	1.1	2.0	1.8	6.4
VV	VANGUARD LARGE-CAP ETF	14.8	8.2	1.1	2.0	1.9	6.9
OEF	ISHARES S&P 100	14.2	7.9	1.3	2.2	2.2	7.2
VO	VANGUARD MID-CAP ETF	17.6	9.1	0.9	1.8	1.3	4.9
RSP	RYDEX S&P EQUAL WEIGHT	16.6	8.6	0.8	1.8	1.7	5.4
VXF	VANGUARD EXTENDED MARKET	23.3	9.2	0.8	2.0	1.2	3.0
IYY	ISHARES DJ US INDEX FUND	15.1	8.3	1.1	2.0	1.8	6.6
IWC	ISHARES RUSSELL MICROCAP INX	58.9	6.9	0.5	1.4	1.5	n/m
XLG	RYDEX RUSSELL TOP 50	13.7	7.9	1.5	2.2	2.3	7.7
ISI	ISHARES S&P 1500 INDEX FUND	15.1	8.2	1.1	2.0	1.9	6.8
MGC	VANGUARD MEGA CAP 300 ETF	14.4	8.1	1.2	2.1	2.0	7.2
TMW	SPDR DOW JONES TOTAL MARKET	15.5	8.3	1.1	2.1	1.9	5.9
JKJ	ISHARES MORNINGSTAR SMALL CORE	19.2	7.4	0.7	1.7	1.0	5.2
ONEQ	FIDELITY NASDAQ COMP INDX TS	20.0	12.2	1.7	2.5	0.8	3.6
NYC	ISHARES NYSE COMPOSITE INDEX	14.3	7.3	1.0	1.8	2.5	7.4
NY	ISHARES NYSE 100 INDEX FUND	13.5	7.3	1.2	2.0	2.4	7.8
PZI	POWERSHARES ZACKS MICRO CAP	20.3	7.5	0.5	1.0	1.6	3.8
ELR	SPDR DOW JONES LARGE CAP ETF	14.9	8.2	1.2	2.1	1.9	6.7
EMM	SPDR DOW JONES MID CAP ETF	18.3	9.1	0.8	1.7	1.4	4.7
DSC	SPDR DOW JONES SMALL CAP ETF	28.7	8.8	0.8	2.1	1.4	2.0
PZJ	POWERSHARES ZACKS S/C PTFL	16.4	8.1	0.6	1.4	1.0	4.5
IWL	ISHARES RUSSELL TOP 200 INDE	14.3	8.1	1.2	2.1	2.0	7.3
PQSC	POWERSHARES FTSE NASDAQ S/C	32.5	9.9	0.9	1.7	0.7	1.4

Style & Fundamental Indices

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
IWF	ISHARES RUSSELL 1000 GROWTH	15.7	11.2	1.4	3.0	1.5	5.5
IWD	ISHARES RUSSELL 1000 VALUE	14.3	6.5	0.9	1.5	2.2	7.9
IWW	ISHARES S&P 500 GROWTH	16.0	10.9	1.8	2.9	1.5	6.1
IWN	ISHARES RUSSELL 2000 VALUE	22.4	7.1	0.6	1.2	2.0	4.6
VUG	VANGUARD GROWTH ETF	17.1	11.0	1.4	2.9	1.1	5.2
IVE	ISHARES S&P 500 VALUE	13.7	6.5	0.8	1.6	2.4	7.9
DVY	ISHARES DJ SELECT DIVIDEND INDEX	13.1	7.2	0.9	1.9	4.2	7.7
IWO	ISHARES RUSSELL 2000 GROWTH	25.2	12.4	1.0	2.8	0.5	1.6
IWS	ISHARES RUSSELL MIDCAP VALUE	17.6	7.4	0.8	1.4	2.1	6.2
VTV	VANGUARD VALUE ETF	13.2	6.6	1.0	1.6	2.6	8.5
PFF	ISHARES S&P PREF STK INDX FN	13.2	5.1	1.2	1.2	1.7	8.1
IWP	ISHARES RUSSELL MIDCAP GRWTH	17.0	10.7	1.1	2.7	1.0	4.3
IJK	ISHARES S&P MIDCAP 400 GROWTH	17.9	10.6	1.4	2.3	0.7	5.5
IJJ	ISHARES S&P MIDCAP 400 VALUE	17.4	8.6	0.7	1.4	2.0	7.0
IJS	ISHARES S&P 600 SMALLCAP VALUE	20.7	8.1	0.5	1.2	1.4	6.3
IJT	ISHARES S&P 600 SMALLCAP GROWTH	18.2	10.3	1.2	2.0	0.7	5.1
VIG	VANGUARD DIVIDEND APPRECIATION	14.4	9.4	1.2	2.5	2.3	7.0
VBR	VANGUARD SMALL-CAP VALUE ETF	17.9	7.5	0.7	1.3	2.3	5.9
VBK	VANGUARD SMALL-CAP GRWTH ETF	48.6	10.9	0.9	5.3	0.4	n/m
SDY	SPDR S&P DIVIDEND ETF	13.5	7.5	0.7	1.9	3.9	7.4
PGX	POWERSHARES PREFERRED PORT	12.8	5.4	1.5	1.3	2.0	8.1
VOE	VANGUARD MID-CAP VALUE INDEX	15.9	7.6	0.7	1.3	2.1	6.7
VOT	VANGUARD MID-CAP GROWTH INDE	19.8	10.9	1.2	2.7	0.4	3.1

Valuation Tables

As of January 6, 2010. See notes at end.

based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
PRF	POWERSHARES FTSE-RAFI U.S. 1000	17.0	6.4	0.6	1.6	1.7	3.9
MGK	VANGUARD MEGA CAP 300 GROWTH	16.6	11.0	1.5	3.0	1.3	5.6
VYM	VANGUARD HIGH DVD YIELD ETF	13.3	7.8	1.1	2.0	3.1	7.5
DLN	WISDOMTREE L/C DIVIDEND FUND	13.3	7.7	1.2	2.2	3.3	7.5
IWW	ISHARES RUSSELL 3000 VALUE	14.8	6.5	0.9	1.5	2.2	7.6
JKE	ISHARES MORNINGSTAR LG GR IN	17.6	12.6	2.2	2.9	0.9	5.7
IWZ	ISHARES RUSSELL 3000 GROWTH	16.1	11.2	1.4	3.0	1.5	5.2
PWV	POWERSHARES DYN L/C VALUE	12.0	7.4	0.8	1.8	3.0	7.9
PWC	POWERSHARES DYNAMIC MKT PORT	12.9	8.1	0.9	1.9	1.4	7.1
PWB	POWERSHARES DYN L/C GROWTH	17.9	11.8	1.8	3.1	1.1	4.8
JKD	ISHARES MORNINGSTAR LG CO IN	14.2	8.6	1.2	2.2	2.1	6.9
JKF	ISHARES MORNINGSTAR LG VAL I	12.3	5.8	0.9	1.6	3.0	9.0
ELG	SPDR DOW JONES LARGE CAP GRO	17.2	10.8	1.3	2.4	0.8	5.6
MGV	VANGUARD MEGA CAP 300 VALUE	12.7	6.5	1.0	1.6	2.7	8.9
PRFZ	POWERSHARES FTSE-RAFI SML-MID 1500	31.1	8.2	0.3	2.2	1.6	n/m
DTH	WISDOMTREE DEFA EQ INCOME FU	11.9	6.0	0.9	1.6	4.9	9.9
RZV	RYDEX S&P SMALLCAP 600 P VAL	116.6	6.4	0.2	0.7	1.3	7.7
DTN	WISDOMTREE DVD EX-FIN FUND	13.4	7.2	0.9	2.1	4.2	7.5
JKH	ISHARES MORNINGSTAR MID GR I	21.6	13.6	2.0	2.8	0.4	4.1
FVD	FIRST TRUST VALUE LINE DVD	13.5	8.3	1.1	2.0	3.5	6.7
PWJ	POWERSHARES DYN M/C GROWTH	18.4	13.3	1.7	2.9	0.5	4.0
DHS	WISDOMTREE EQ INCOME FUND	12.6	6.5	1.1	1.9	5.0	7.9
DES	WISDOMTREE SMALLCAP DVD FUND	17.5	6.5	1.0	1.4	4.7	6.5
PDP	POWERSHARES DWA TECHNICAL L	19.7	10.4	1.1	2.6	0.9	3.1
JKL	ISHARES MORNINGSTAR SM VAL I	18.8	6.4	0.5	1.3	2.3	4.9
DTD	WISDOMTREE TOTAL DIVIDEND FD	13.7	7.7	1.1	2.1	3.4	7.4
PBP	POWERSHARES S&P 500 BUYWRITE	14.6	8.1	1.1	2.0	2.0	6.4
DSG	SPDR DOW JONES SMALL CAP GRO	41.8	10.0	0.9	4.1	0.4	0.1
PEY	POWERSHARES HIGH YIELD EQUITY DIVIDEND	14.5	6.0	0.9	1.4	5.1	7.7
ELV	SPDR DOW JONES LARGE CAP VAL	13.3	6.7	1.0	1.8	2.8	7.7
DON	WISDOMTREE MIDCAP DIVIDEND F	17.2	8.0	0.9	1.7	4.0	6.4
JKG	ISHARES MORNINGSTAR MID CO I	16.9	9.3	1.0	2.1	1.6	4.9
JKI	ISHARES MORNINGSTAR MID VL I	15.3	6.4	0.6	1.3	2.3	5.8
PFM	POWERSHARES DVD ACHIEVERS PT	13.8	8.2	1.1	2.2	2.9	7.3
IDV	ISHARES DJ INTL SELECT DIV	12.6	7.0	0.8	1.7	5.1	10.3
RFG	RYDEX S&P MIDCAP 400 PUR GRO	18.0	10.2	1.3	2.4	0.2	5.4
DSV	SPDR DOW JONES SMALL CAP VAL	21.1	7.4	0.7	1.3	2.5	4.7
JKK	ISHARES MORNINGSTAR SM GR ID	25.8	15.2	1.6	2.6	0.2	2.8
RWL	REVENUESHARES LARGE CAP ETF	14.1	7.1	0.5	1.7	1.9	5.3
PIV	POWERSHARES VALUE LINE TIME	16.7	12.6	1.5	2.6	0.7	3.8
RWJ	REVENUESHARES SMALL CAP ETF	20.9	8.1	0.3	1.3	0.9	5.0
PWY	POWERSHARES DYN S/C VALUE	12.4	8.6	0.5	1.4	1.5	7.9
FVL	FIRST TRUST VALUE LINE 100	16.2	11.5	0.9	2.7	0.4	3.7
NFO	CLAYMORE/SABRIENT INSIDER ET	12.6	8.2	0.8	1.6	1.8	6.2
EES	WISDOMTREE SMALLCAP EARNINGS	14.1	3.7	0.5	1.5	1.6	6.2
RWK	REVENUESHARES MID CAP ETF	15.9	8.4	0.4	1.4	1.2	6.6
EMG	SPDR DOW JONES MID CAP GROWT	19.7	10.3	1.0	2.3	0.4	4.4
EPS	WISDOMTREE EARNINGS 500 FUND	13.5	8.5	1.1	2.1	2.1	7.5
FDV	FIRST TRUST DB STRAT VAL IND	12.5	8.7	0.8	1.9	2.0	7.3
PWO	POWERSHARES DYNAMIC OTC PORT	16.3	11.7	1.1	2.5	0.8	4.8
PWP	POWERSHARES DYN M/C VALUE	11.5	7.5	0.6	1.6	1.5	7.8
FDL	FIRST TRUST MORN DVD LEAD IN	12.1	6.2	1.1	1.9	5.0	7.5
RYJ	CLAYMORE/RAYMOND JAM SB-1 EQ	16.3	6.5	1.0	1.8	1.6	3.6
RPG	RYDEX S&P 500 PURE GRTH ETF	18.7	11.7	1.8	2.7	0.6	5.6
PJF	POWERSHARES DYN LARGE CAP	14.0	9.5	1.2	2.3	1.9	6.3
QQEW	FIRST TRUST NASDAQ 100 EQ WEI	17.8	12.1	1.6	2.5	0.6	4.4
PKW	POWERSHARES BUYB ACHEIVEVERS	13.9	8.4	0.7	1.8	1.7	6.2
PWT	POWERSHARES DYN S/C GROWTH	21.2	9.7	0.7	3.4	0.1	3.9
FGD	FIRST TRUST DJ GL SEL DVD	13.2	6.9	0.9	1.6	5.3	9.7
PIQ	POWERSHARES DYN MAGNIQUANT	13.7	8.8	0.7	2.0	1.0	5.9
EZY	WISDOMTREE LARGE CAP VALUE FU	12.0	6.6	0.5	1.3	2.3	8.9
RPV	RYDEX S&P 500 PURE VALUE ETF	18.4	5.3	0.3	1.0	1.7	6.0
PYH	POWERSHARES VALUE LINE IND	14.8	9.5	0.8	2.3	0.7	3.7
RFV	RYDEX S&P MIDCAP 400 PUR VAL	19.1	7.0	0.3	0.9	1.6	8.6

Valuation Tables

As of January 6, 2010. See notes at end.

based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
EXT	WISDOMTREE TOTAL EARNINGS	13.7	8.4	1.0	2.0	2.0	7.4
XRO	CLAYMORE/ZACKS SECTOR ROT ET	17.0	10.6	0.9	2.5	0.7	4.3
EZM	WISDOMTREE MIDCAP EARNINGS	14.9	8.7	0.7	1.7	1.5	6.8
PJG	POWERSHARES DYN MID CAP	13.9	9.3	0.8	2.1	1.1	6.0
FTA	FIRST TRUST LARGE CAP VALUE	14.1	7.1	0.7	1.5	2.6	7.4
FEX	FIRST TRUST LARGE CAP CORE A	15.6	8.3	0.9	1.8	1.8	6.1
FTC	FIRST TRUST LARGE CAP GROWTH	18.5	10.6	1.2	2.5	0.6	4.4
DENT	DENT TACTICAL ETF	0.0	0.0	0.0	0.0	0.0	0.0
RZG	RYDEX S&P SMALLCAP 600 P GRO	17.5	11.0	1.1	2.1	0.4	5.1
ROI	WISDOMTREE LARGE CAP GROWTH	14.2	8.6	1.1	2.2	1.6	7.4
PJM	POWERSHARES DYN SMALL CAP	14.4	9.8	0.7	1.7	0.9	5.4
EMV	SPDR DOW JONES MID CAP VALUE	16.8	7.6	0.7	1.3	2.7	5.2
FDM	FIRST TRUST DOW J SELECT MIC	14.8	8.3	0.6	1.4	1.5	6.8
FNX	FIRST TRUST MID CAP CORE ALP	16.1	7.9	0.8	1.6	1.4	6.3
DEF	CLAYMORE/SABRIENT DEFENSIVE	12.9	6.6	0.8	1.8	4.1	7.1
FYX	FIRST TRUST SMALL CAP CORE A	18.6	8.8	0.6	1.4	1.1	5.6
EEZ	WISDOMTREE EARNINGS TOP 100	11.7	7.9	0.7	1.7	2.0	8.3
RWV	REVENUESHARES NAVELL A-100	17.8	12.1	0.5	2.7	0.6	3.6
EQL	ALPS EQUAL SECTOR WEIGHT ETF	0.0	0.0	0.0	0.0	0.0	0.0
LVL	CLAYMORE/S&P GLOBAL DIVIDEND	14.8	7.6	0.9	2.1	5.4	8.7
FAB	FIRST TRUST MULTI CAP VALUE	15.1	7.2	0.7	1.4	2.2	7.0
FPX	FIRST TRUST US IPO INDEX FUN	17.3	11.3	1.7	2.6	1.3	5.2
CSD	CLAYMORE/BEACON SPIN-OFF ETF	19.6	11.3	1.2	2.3	1.4	7.1
PQBW	POWERSHARES NASDAQ-100 BUYWR	18.5	13.3	2.2	3.0	0.6	4.0
FDD	FIRST TRUST DJ STOXX EUROPE	12.8	6.1	0.6	1.5	4.5	11.6
QQXT	FIRST TRUST NASDAQ-100 EX-TE	17.3	11.2	1.3	2.2	0.6	4.4
FAD	FIRST TRUST MULTI CAP GROWTH	18.3	9.9	1.0	2.2	0.5	4.9
FVI	FST TR-VAL LN EQ ALL IND FND	16.1	8.2	0.7	1.9	1.7	4.1
PSK	SPDR WELLS FARGO PREFERRED	11.4	5.5	0.8	1.1	1.5	4.2
PQZ	POWERSHARES ACTI ALPH MUL-CA	13.0	10.9	2.1	2.4	1.4	5.8
CZA	CLAYMORE/ZACKS MID-CAP CORE	13.5	8.1	0.6	1.6	2.2	5.9
PQY	POWERSHARES ACTIVE ALPHAQ FD	16.2	11.9	2.0	2.8	0.3	4.5
STH	CLAYMORE/SABRIENT STEALTH ET	16.8	6.9	0.4	1.9	3.5	2.1
IWY	ISHARES RUSSELL TOP 200 GROW	15.3	11.4	1.6	3.1	1.7	6.0
IRO	CLAYMORE/ZACKS DVD ROTATION	11.5	6.6	1.0	1.4	4.0	8.0
PMA	POWERSHARES ACTIVE MEGA-CAP	12.8	9.1	1.0	2.2	1.7	6.2
GVT	GRAIL AMERICAN BEACON L/CAP	13.1	6.8	1.0	1.6	2.3	7.8
RPX	RP GROWTH ETF	20.4	12.5	2.0	2.6	0.7	4.3
RWG	RP FOCUSED LARGE CAP GROWTH	17.6	14.0	1.5	2.8	0.7	4.7
IWX	ISHARES RUSSELL TOP 200 VALU	13.3	6.2	1.0	1.6	2.3	8.7
OTR	CLAYMORE/OCEAN TOMO GROWTH I	14.8	10.5	1.4	5.5	1.9	3.0
PNXQ	POWERSHARES NXQ PORTFOLIO	22.2	12.2	2.0	2.9	0.5	3.3

Sector ETFs

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
XLF	FINANCIALS SELECT SECTOR SPDR	15.4	4.9	1.3	1.2	1.4	8.1
XLE	ENERGY SELECT SECTOR SPDR	14.3	6.9	0.9	1.8	1.8	10.6
XLK	TECHNOLOGY SELECT SECTOR SPDR	16.6	9.7	2.0	2.8	1.5	5.2
XLU	UTILITIES SELECT SECTOR SPDR	12.2	5.7	1.0	1.5	4.3	8.1
XLV	HEALTH CARE SELECT SECTOR SPDR	11.9	9.6	1.1	2.2	2.0	7.9
XLI	INDUSTRIALS SELECT SECTOR SPDR	16.6	9.8	1.0	2.4	2.2	6.6
XLP	CONSUMER STAPLES SELECT SECTOR SPDR	13.7	9.9	0.8	2.6	3.0	6.8
XLB	MATERIALS SELECT SECTOR SPDR	18.6	10.3	1.2	2.8	1.7	5.7
XLY	CONSUMER DISCRETIONARY SELECT SECTOR	16.4	9.2	0.8	2.1	1.4	4.6
IYW	ISHARES DJ US TECHNOLOGY SEC	17.2	12.5	2.2	3.0	0.8	4.5
VDE	VANGUARD ENERGY ETF	14.0	6.8	1.0	1.7	1.7	10.2
IXC	ISHARES S&P GLBL ENERGY SECT	12.7	6.6	0.9	1.7	3.0	11.0
MXI	ISHARES S&P GLOBAL MATERIALS	17.6	9.4	1.3	2.1	1.8	7.4
VGT	VANGUARD INFO TECH ETF	17.0	12.4	2.0	2.8	0.8	4.8
IYM	ISHARES DJ US BASIC MATERIAL	17.3	9.7	1.1	2.6	1.6	6.2
IYE	ISHARES DJ US ENERGY SECTOR	13.4	6.8	1.0	1.7	1.8	10.4
IYF	ISHARES DJ US FINANCIAL SECT	15.7	5.4	1.5	1.3	1.8	7.4

Valuation Tables

As of January 6, 2010. See notes at end.

based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
IYH	ISHARES DJ US HEALTHCARE SEC	12.6	9.9	1.4	2.3	1.9	7.0
VFH	VANGUARD FINANCIALS ETF	17.2	5.2	1.4	1.4	1.9	6.2
VHT	VANGUARD HEALTH CARE ETF	13.2	10.0	1.1	2.3	1.7	6.8
VDC	VANGUARD CONSUMER STAPLE ETF	13.9	10.0	0.7	2.6	2.8	6.7
IXJ	ISHARES S&P GLBL HEALTHCARE	11.9	9.6	1.4	2.3	2.7	7.5
IDU	ISHARES DJ US UTILITIES SECT	12.7	5.9	1.0	1.4	4.2	7.3
VAW	VANGUARD MATERIALS ETF	18.1	10.1	1.0	2.5	1.5	5.9
IXN	ISHARES S&P GLBL TECH SECTOR	16.5	11.1	1.7	2.6	1.1	4.6
IGM	ISHARES S&P NA TEC SEC IND F	17.2	12.6	2.1	2.9	0.7	4.5
VPU	VANGUARD UTILITIES ETF	12.7	5.8	1.0	1.4	4.1	7.6
IXG	ISHARES S&P GLBL FINL SECTOR	13.5	6.2	1.3	1.2	2.8	10.2
IYK	ISHARES DJ US CONSMR GOODS	15.1	11.3	1.1	3.1	2.8	4.8
VIS	VANGUARD INDUSTRIALS ETF	16.8	9.2	0.9	2.2	1.8	6.0
IYJ	ISHARES DJ US INDUSTRIAL SEC	16.6	9.7	0.9	2.1	1.8	6.4
KXI	ISHARES S&P CONSUMER STAPLES	14.6	10.1	0.9	2.6	3.0	6.5
IXP	ISHARES S&P GLBL TELECOMM SE	11.8	4.3	1.1	1.6	5.6	7.8
MTK	SPDR MORGAN STANLEY TECHNOLO	18.2	12.4	1.5	2.4	0.8	5.0
VOX	VANGUARD TELECOM SERVICE ETF	24.3	4.5	1.0	2.4	3.6	1.9
IYC	ISHARES DJ US CNSMR SERVICE	15.6	8.6	0.6	2.0	1.3	4.7
JXI	ISHARES S&P GLOBAL UTILITIES	12.6	5.6	0.9	1.5	4.5	8.2
VCR	VANGUARD CONSUMER DISCRE ETF	17.1	9.2	0.8	2.1	1.3	4.1
EXI	ISHARES GLOBAL INDUSTRIALS S	16.5	8.7	0.7	1.9	2.3	6.9
PTH	POWERSHARES DYN HEALTHCARE	14.6	9.0	0.6	2.0	0.3	5.2
RYH	RYDEX S&P EQ WGT HEALTHCARE	13.2	9.9	0.7	2.0	0.7	6.7
RXI	ISHARES S&P CONSUMER DISCRET	17.3	8.0	0.7	1.7	1.9	5.2
RYT	RYDEX S&P EQ WGT TECHNOLOGY	17.8	11.6	1.6	2.3	0.6	4.1
RTM	RYDEX S&P EQ WGT MATERIAL ET	18.3	10.1	1.0	2.5	1.5	5.9
DBN	WISDOMTREE INT BASIC MAT SEC	17.0	8.3	0.9	1.8	2.4	8.3
PSL	POWERSHARES DYN CONS STAPLES	14.3	9.0	0.5	2.5	1.9	5.0
QTEC	FIRST TRUST NASDAQ 100 TECH I	18.6	13.9	2.8	3.1	0.7	4.2
DKA	WISDOMTREE INTL ENERGY SEC F	12.7	6.3	0.5	1.6	3.9	11.0
DBU	WISDOMTREE INTL UTL SECTOR F	13.0	5.5	0.8	1.6	4.7	8.5
PXI	POWERSHARES DYN ENERGY	14.4	7.5	0.6	1.7	2.8	8.3
PTF	POWERSHARES DYN TECHNOLOGY	15.3	11.4	1.1	2.1	0.5	4.9
PYZ	POWERSHARES DYN BASIC MATERI	15.8	8.6	0.7	2.2	1.4	5.6
PRN	POWERSHARES DYB INDUSTRIALS	15.2	9.7	0.7	2.0	1.5	6.7
PUI	POWERSHARES DYN UTILITIES PT	12.0	5.3	0.9	1.3	3.9	7.6
DGG	WISDOMTREE INTL COMM SECTO F	11.1	4.0	1.1	1.5	5.9	9.0
DBR	WISDOMTREE INTL H/C SECTOR F	12.8	9.8	1.2	2.0	3.5	7.2
FXH	FIRST TRUST HEALTH CARE ALPH	13.5	8.6	0.5	1.7	0.4	6.6
DDI	WISDOMTREE INTL IND SECTOR F	16.8	8.0	0.6	1.6	2.9	7.4
PFI	POWERSHARES DYN FINANCIAL	10.7	8.0	1.1	1.1	1.9	9.3
FXN	FIRST TRUST ENERGY ALPHAD	18.3	7.1	0.7	1.6	0.8	10.5
RGI	RYDEX S&P EQ WGT INDUSTRIAL	17.3	10.9	1.0	2.4	1.8	6.1
DRF	WISDOMTREE INTL FIN SECTOR F	12.6	7.5	1.4	1.3	4.2	10.2
FXL	FIRST TRUST TECHNOLOGY ALPHA	19.3	11.2	1.2	2.3	0.2	3.0
FXU	FIRST TRUST UTILITIES ALPHAD	13.3	5.1	0.8	1.1	3.8	7.6
PEZ	POWERSHARES DYN CONS DISCREC	14.6	8.7	0.5	2.1	1.0	3.2
DPN	WISDOMTREE INTL CON STAPLES	15.0	9.3	0.8	2.2	3.2	6.3
FXZ	FIRST TRUST MATERIALS ALPHAD	17.5	9.4	0.8	2.0	1.4	4.0
RYF	RYDEX S&P EQ WGT FINANCIAL E	20.7	6.7	1.0	1.1	1.8	3.5
DBT	WISDOMTREE INTL TEC SECTOR F	18.0	9.6	0.9	1.6	2.5	6.2
RYE	RYDEX S&P EQ WGT ENERGY ETF	16.9	6.9	0.7	1.6	1.3	10.9
FXD	FIRST TRUST CONSUMER DISCRET	17.2	9.2	0.6	2.0	0.9	5.0
FXG	FIRST TRUST CONSUMER STAPLES	13.5	8.3	0.5	1.8	1.8	6.1
RCD	RYDEX S&P EQ WGT CON DISCRET	18.2	9.6	0.7	2.1	1.3	3.9
RWW	REVENUESHARES FINLS SECTOR	13.7	4.2	0.5	0.9	1.1	0.0
IPK	SPDR S&P INT TECHNOLOGY SECT	16.3	8.8	0.9	1.6	1.6	4.8
PTJ	POWERSHARES DYN HEALTH SERV	12.7	7.4	0.3	1.6	0.2	6.6
RHS	RYDEX S&P EQ WGT CON STAPLES	13.2	8.3	0.5	2.3	2.6	6.7
IRV	SPDR S&P INTL MATERIALS SECT	17.9	8.8	1.1	1.7	1.7	7.8
IST	SPDR S&P INTL TELECOM SECTOR	10.8	4.3	1.1	1.5	5.6	8.5
RYU	RYDEX S&P EQ WGT UTILITIES E	13.7	5.0	0.9	1.5	4.5	7.1
DPC	WISDOMTREE INTL COM DISCR SE	15.8	7.7	0.5	1.6	2.9	7.4

Valuation Tables

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based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
EEO	EMERG MKT ENERGY TITANS INDX	10.0	6.3	0.7	1.3	2.3	13.0
IPW	SPDR S&P INTL ENERGY SECTOR	12.5	6.3	0.8	1.6	3.7	11.5
IRY	SPDR S&P INTL HEALTH CARE	13.7	10.4	1.7	2.2	3.0	6.4
IPF	SPDR S&P INTL FINANCIAL SECT	13.0	7.8	1.3	1.2	3.4	11.3
IPS	SPDR S&P INT CONSUMER STAPLE	16.1	10.1	0.9	2.4	2.8	6.3
IPD	SPDR S&P INTL CONSUMER DISC	18.9	7.3	0.6	1.3	2.3	5.7
IPN	SPDR S&P INT INDUSTRIALS SEC	16.6	8.1	0.5	1.6	2.3	7.3
IPU	SPDR S&P INTL UTILITIES SECT	13.3	5.5	0.8	1.5	4.6	8.2
RPQ	RP TECHNOLOGY ETF	21.8	13.5	2.8	3.1	0.5	3.4
RFF	RP FINANCIALS ETF	14.8	8.1	1.9	1.7	1.8	7.0

Industry ETFs

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
GDX	MARKET VECTORS GOLD MINERS ETF	21.0	12.5	4.6	2.1	0.6	2.1
VNQ	VANGUARD REIT ETF	73.8	13.6	4.0	2.1	4.4	4.2
IYR	ISHARES DOW JONES REAL ESTATE INDEX	38.4	13.9	4.0	2.2	4.8	4.4
ICF	ISHARES COHEN & STEERS REALTY MAJORS IN	82.9	14.9	4.9	2.4	4.0	4.3
IBB	ISHARES NASDAQ BIOTECHNOLOGY INDEX	45.6	19.5	4.1	4.1	0.1	n/m
RWR	SPDR DOW JONES REIT ETF	75.8	13.7	4.1	2.1	4.2	4.1
RWX	SPDR DJ INTERNATIONAL REAL E	17.8	13.7	3.6	1.0	4.3	8.2
KBE	KBW BANK ETF	64.0	4.1	1.5	1.1	1.1	6.2
XHB	SPDR S&P HOMEBUILDERS	51.5	18.3	0.8	1.6	1.2	n/m
XME	SPDR METALS & MINING ETF	24.8	11.8	1.0	2.3	0.9	7.6
XRT	SPDR S&P RETAIL ETF	15.3	8.4	0.4	1.8	0.9	5.9
IYZ	ISHARES DOW JONES TELECOM INDEX	26.6	3.8	0.8	2.1	4.0	1.8
IYT	ISHARES DOW JONES TRANSPORTATION INDE	20.9	8.8	0.8	2.2	1.7	4.5
XBI	SPDR S&P BIOTECH ETF	n/m	46.7	5.3	7.4	0.0	n/m
XOP	SPDR S&P OIL & GAS EXPLORATI	16.9	6.0	0.4	1.5	0.8	11.4
IYG	ISHARES DJ US FINANCIAL SVCS	17.5	4.7	1.7	1.4	1.1	7.9
KRE	SPDR KBW REGIONAL BANKING ET	28.8	1.9	1.9	0.9	2.1	8.1
IEZ	ISHARES DJ OIL EQUIPMENT & SERVICES	20.8	10.1	1.7	1.8	0.8	9.4
FCG	FIRST TRUST ISE-REV NAT GAS	25.3	5.8	2.5	1.6	0.9	6.3
IEO	ISHARES DJ OIL & GAS EXPLORATION & PRODU	17.4	6.0	1.2	1.6	0.8	10.0
IFGL	ISHARES FTSE EPRA/NAREIT DEV	18.1	14.2	3.8	1.1	3.7	7.8
IGV	ISHARES GOLDMAN SACHS SOFTWARE INDEX	17.6	13.1	3.2	2.4	0.3	5.2
ITB	ISHARES DJ US HOME CONSTRUCT	n/m	30.0	0.7	1.6	1.1	n/m
KOL	MARKET VECTORS COAL ETF	19.4	12.4	2.1	3.2	1.2	5.3
IHI	ISHARES DJ US MEDICAL DEVICE	17.7	12.7	2.0	2.1	0.3	5.0
PIO	POWERSHARES GLOBAL WATER POR	16.2	8.1	0.8	1.8	2.2	5.5
XES	SPDR OIL & GAS EQUIP & SERV	18.7	8.7	1.6	1.5	0.7	10.3
SLX	MARKET VECTORS STEEL INDEX F	15.8	7.5	1.0	1.7	1.7	12.2
GEX	MARKET VECTORS GLOBAL ALT	21.9	11.5	1.4	2.0	0.5	4.9
IGW	ISHARES GOLDMAN SACHS SEMICONDUCTOR I	20.9	12.7	2.5	2.7	1.1	2.7
KIE	SPDR KBW INSURANCE ETF	10.2	7.4	0.8	0.8	2.2	8.4
IGN	ISHARES S&P NA TEC-MUL N IF	18.7	13.6	1.6	2.1	0.2	4.0
PXJ	POWERSHARES DYN OIL & GAS SV	16.0	8.7	1.5	1.6	0.7	9.4
CGW	CLAYMORE S&P GLBL WAT IDX ET	16.2	7.7	0.9	1.9	2.8	6.3
IAI	ISHARES DOW JONES BROKER DEALERS INDE	14.2	10.9	1.6	1.3	0.9	6.4
PBE	POWERSHARES DYN BIOTECH&GENO	92.4	23.0	3.2	4.8	0.0	n/m
TAN	CLAYMORE/MAC GLBL SOLAR ENRG	25.5	13.4	1.2	1.9	0.2	3.9
NLR	MARKET VECTORS NUCLEAR ENRGY	18.3	8.8	0.7	1.3	1.7	4.7

Valuation Tables

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Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
IHF	ISHARES DJ US HEALTH CAR PRO	12.6	8.4	0.4	1.6	0.1	7.1
ITA	ISHARES DOW JONES AEROSPACE & DEFENSE	13.5	9.7	0.8	2.0	1.3	6.8
XSD	SPDR S&P SEMICONDUCTORS	24.3	12.7	2.6	3.1	1.0	1.7
IAT	ISHARES DJ US REGIONAL BANKS	36.2	4.7	1.9	1.2	1.9	6.8
BJK	MARKET VECTORS GAMING ETF	15.7	8.2	1.5	2.2	3.1	7.6
PPA	POWERSHARES AERO & DEFENSE	13.1	9.0	0.7	2.1	1.5	6.2
IHE	ISHARES DJ US PHARMA INDEX F	15.2	9.4	2.1	2.5	1.8	5.4
WPS	ISHARES S&P DLVP EX-US PRPTY	17.6	14.4	2.8	1.0	3.7	8.4
HAP	MARKET VECTORS HARD ASSET PR	14.7	8.3	1.0	1.9	1.8	8.0
FAN	FIRST TRUST GLOBAL WIND	20.7	9.5	1.0	1.6	1.4	3.4
KCE	SPDR KBW CAPITAL MARKETS ETF	14.1	10.7	2.0	1.5	0.9	8.0
SEA	CLAYMORE DELTA GLOBAL SHIP	19.1	5.5	0.9	1.0	3.1	21.1
PXR	POWERSHARES EMER MARK INFRA	15.2	9.6	1.0	2.3	2.1	7.5
CUT	CLAYMORE/BEACON GLOBAL TIMB	21.6	6.1	0.5	1.1	2.4	3.7
DRW	WISDOMTREE INTL REAL ES FD	16.0	14.6	3.8	1.0	4.6	9.2
RWO	SPDR DJ GLOBAL REAL ESTATE E	28.0	13.7	3.8	1.3	4.2	6.3
FBT	FIRST TRUST NYSE ARCA BIOTEC	n/m	21.0	3.9	3.8	0.0	n/m
PXE	POWERSHARES DYN ENRG EXP PRO	13.9	5.4	0.8	1.5	2.3	11.8
PXN	POWERSHARES LUX NANOTECH PT	n/m	26.4	1.8	2.5	0.6	n/m
PJP	POWERSHARES DYN PHARMACEUTIC	13.9	9.8	2.2	2.3	1.3	5.1
PSJ	POWERSHARES DYN SOFTWARE PT	17.3	13.0	2.6	2.6	0.2	4.5
PUW	POWERSHARES WILDERHILL PROGR	17.3	9.0	0.8	1.8	1.0	1.8
PKB	POWERSHARES DYN BLDG & CONST	24.7	12.0	0.6	1.4	0.7	0.0
XPH	SPDR S&P PHARMACEUTICALS ETF	19.1	10.3	2.2	2.5	1.1	4.1
PBJ	POWERSHARES DYN FOOD&BEVERAG	13.0	8.8	0.7	2.4	2.0	5.6
PWND	POWERSHARES NASDAQ OMX CLEAN	22.1	10.6	1.3	1.6	1.1	3.8
FDN	FIRST TRUST DJ INTERNET IND	23.1	15.8	2.5	2.4	0.1	1.3
IAK	ISHARES DJ US INSURANCE IND	9.0	33.1	0.8	0.9	2.0	11.1
REM	ISHARES FTSE NAREIT MORTGAGE	31.3	5.2	3.2	n/m	12.2	8.1
PBS	POWERSHARES DYN MEDIA PORT	15.9	9.3	1.0	1.8	0.8	2.5
WOOD	ISHARES S&P GLOBAL TIMBER	35.1	8.7	0.8	1.5	2.3	2.5
PSI	POWERSHARES DYN SEMICONDUCT	17.6	10.4	1.8	2.2	0.8	2.6
FIW	FIRST TRUST ISE WATER INDEX	17.4	10.0	1.0	1.6	1.4	5.5
FLM	FIRST TRUST ISE GLOBAL ENGIN	14.3	8.7	0.4	1.5	2.0	8.0
REZ	ISHARES FTSE NAREIT RESIDENT	78.0	14.8	4.9	2.2	4.8	3.3
PJB	POWERSHARES DYN BANKING	16.8	4.9	2.5	1.3	2.7	7.3
PXQ	POWERSHARES DYN NETWORKING	21.1	15.4	2.8	2.4	0.0	3.6
PMR	POWERSHARES DYN RETAIL PORTF	14.6	9.6	0.4	2.0	0.8	4.8
PAGG	POWERSHARES GLOBAL AGRICUL	16.0	12.5	1.1	2.3	1.3	6.0
PSAU	POWERSHARES GLOBAL GOLD AND	24.3	14.2	4.9	2.6	0.6	2.8
FTY	ISHARES FTSE NAREIT REAL EST	36.4	14.5	4.9	2.4	5.0	4.3
PIC	POWERSHARES DYN INSURANCE PT	8.2	10.2	0.7	0.8	2.0	12.7
PEJ	POWERSHARES DYN LEISURE&ENT	14.7	8.0	0.9	1.9	1.1	5.8
IFAS	ISHARES FTSE EPRA/NAREIT DEV	17.4	14.6	3.3	1.2	3.1	9.2
PTE	POWERSHARES DYN TELE & WIREL	17.1	4.7	1.0	4.6	1.7	n/m
FFR	FT FTSE EPRA/NAREIT REAL EST	24.8	14.0	3.8	1.3	3.9	6.3
FXO	FIRST TRUST FINANCIAL ALPHAD	13.6	7.9	1.1	1.1	2.4	6.8
IFEU	ISHARES FTSE EPRA/NAREIT DEV	17.4	13.8	5.9	0.8	4.7	6.9
FRI	FIRST TRUST S&P REIT INDEX F	69.7	13.6	4.0	2.1	4.4	3.8
FAA	CLAYMORE NYSE ARCA AIRLINE	33.0	3.7	0.2	8.4	0.2	n/m
GRI	COHEN & STEERS GLOBAL REALTY	27.2	15.1	4.4	1.4	3.6	5.7
FXR	FIRST TRUST INDST/PRODUCERS	17.1	8.3	0.7	2.0	1.4	2.7
PSR	PWERSHRES ACT US REAL ESTATE	47.8	14.4	4.9	2.4	4.2	3.1
EMT	EMERG MKT METAL&MINING TITAN	15.7	8.0	1.7	2.2	1.5	9.0
PNQI	POWERSHARES NASDAQ INTERNET	28.2	16.1	3.0	3.1	0.1	1.8
FIO	ISHARES FTSE NAREIT INDUSTRI	n/m	14.4	4.0	1.4	4.2	5.7
KME	SPDR KBW MORTGAGE FINANCE	183.2	n/m	1.0	1.1	2.4	n/m
QABA	FIRST TRUST NASDAQ ABA CBIF	26.9	2.0	2.4	1.1	2.6	6.7
IFNA	ISHARES FTSE EPRA/NAREIT NOR	64.4	13.4	3.8	2.1	4.4	3.8
PTRP	POWERSHARES GL PRO TRANSPORT	19.1	10.4	0.9	2.1	2.0	5.1
RTL	ISHARES FTSE NAREIT RETAIL	46.2	11.1	4.1	2.6	4.9	4.0
PBTQ	POWERSHARES GLOBAL BIOTECH	33.1	20.2	4.5	4.1	0.2	0.0
EXB	CLAYMORE/BEACON G E B & A M	14.5	11.3	2.6	1.6	2.3	7.4
PSTL	POWERSHARES GLOBAL STEEL POR	16.5	8.2	0.8	1.6	1.9	10.7

Valuation Tables

As of January 6, 2010. See notes at end.

based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
Thematic ETFs							
IGE	ISHARES NORTH AMERICAN NATURAL RESOUR	15.5	7.2	1.2	1.8	1.4	9.0
MOO	MARKET VECTORS AGRIBUSINESS ETF	16.5	12.0	0.1	2.1	1.2	5.8
PHO	POWERSHARES WATER RESOURCES	18.2	9.5	0.9	1.6	1.1	6.0
PBW	POWERSHARES WILDERHILL CLEAN ENERGY	93.4	19.0	1.5	2.2	0.4	n/m
IGF	ISHARES S&P GLOBAL INFRASTRUCTURE	15.6	7.2	1.4	1.6	4.0	7.0
PBD	POWERSHARES GBL CLEAN ENERGY	26.1	12.2	1.3	2.1	0.9	1.7
PSP	POWERSHARES GLOBAL LISTED PR	11.1	7.6	1.0	0.9	5.1	11.7
PZD	POWERSHARES CLEANTECH PORTFO	19.8	13.9	1.4	2.2	0.9	5.2
KLD	ISHARES KLD SELECT SOCIAL	15.2	8.7	1.3	2.2	1.9	6.5
ICLN	ISHARES S&P GBL CLEAN ENERGY	22.8	10.6	1.5	1.8	0.5	4.8
DSI	ISHARES FTSE KLD 400 SOCIAL	15.7	9.1	1.3	2.2	1.7	6.0
GII	SPDR FTSE/MACQUARIE GLOBAL INFRASTRUCT	13.2	5.7	0.9	1.5	4.3	7.6
ENY	CLAYMORE/SWM CANAD EN IN IN	39.0	9.0	2.9	2.0	4.0	2.8
QCLN	FIRST TRUST NASDAQ CLEAN EDG	26.5	15.6	2.0	2.6	0.4	2.8
PKN	POWERSHARES GLOBAL NUCLEAR	17.0	7.5	0.6	1.5	1.7	3.9
KWT	MARKET VECTORS SOLAR ENERGY	24.0	13.2	1.4	1.9	0.1	5.5
EVX	MARKET VECTORS ENV SERV ETF	21.4	7.4	0.8	1.9	1.3	3.8
CRBQ	JEFFERIES TR/J CRB GLBL COMM	14.1	8.7	1.1	2.0	1.8	9.3
NUCL	ISHARES S&P GBL NUCLEAR ENGY	15.3	7.3	0.9	1.6	2.4	6.0
PKOL	POWERSHARES GLOBAL COAL PORT	19.4	13.8	2.5	3.2	1.5	4.7
OTP	CLAYMORE/OCEAN TOMO PATENT E	14.4	8.0	1.1	2.4	2.4	5.1
ROB	CLAYMORE/ROBB RPT LUX INDEX	20.4	10.3	1.3	2.0	1.6	5.0
International - Regional Indices							
Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
EEM	ISHARES MSCI EMERGING MARKETS	13.1	8.1	1.6	1.9	2.4	7.6
EFA	ISHARES MSCI EAFE INDEX	14.2	7.3	0.9	1.5	3.2	8.7
VVO	VANGUARD EMERGING MARKETS	13.2	8.5	1.5	1.9	2.3	8.2
VEU	VANGUARD FTSE ALL-WORLD EX-US	14.3	7.5	1.0	1.6	3.0	8.5
VEA	VANGUARD EUROPE PACIFIC	14.1	7.2	0.9	1.5	3.2	8.9
EPP	ISHARES MSCI PACIFIC EX-JAPAN	17.3	12.3	2.2	2.1	3.5	7.8
ILF	ISHARES S&P LATIN AMERICA 40	14.4	7.5	1.8	2.5	2.3	7.2
VGK	VANGUARD EUROPEAN ETFS	12.8	6.9	1.0	1.6	3.6	9.9
IEV	ISHARES S&P EUROPE 350	12.8	6.8	0.9	1.6	3.6	9.5
VPL	VANGUARD PACIFIC ETF	17.9	8.2	0.7	1.3	2.5	7.1
AAXJ	ISHARES MSCI ASIA EX-JAPAN	14.7	9.7	1.6	1.8	2.5	6.1
EZU	ISHARES MSCI EURO MONETARY UNION	12.8	5.9	0.8	1.4	3.7	9.6
EEB	CLAYMORE/BNY BRIC ETF	14.7	7.9	1.6	2.2	2.0	7.4
ACWI	ISHARES MSCI ACWI INDEX FUND	14.5	8.0	1.1	1.8	2.4	7.7
IOO	ISHARES S&P GLOBAL 100	12.7	7.2	1.1	1.8	3.2	8.1
ADRE	BLDRS EMER MKTS 50 ADR INDEX	13.8	7.7	1.9	2.1	2.4	8.0
BKF	ISHARES MSIC BRIC	13.8	9.8	1.8	1.9	2.1	9.4
GWX	SPDR INTERNATIONAL SMALLCAP	16.0	8.2	0.5	1.2	2.4	5.9
SCZ	ISHARES MSCI EAFE SMALL CAP	17.6	8.3	0.5	1.2	2.5	7.1
VT	VANGUARD TOTAL WORLD STOCK	14.2	7.6	1.0	1.7	2.5	7.9
GMF	SPDR S&P EMERGING ASIA PACIF	15.4	10.1	1.7	2.3	2.4	6.5
BIK	SPDR S&P BRIC 40 ETF	11.7	8.2	1.8	1.8	2.4	10.1
ACWX	ISHARES MSCI ACWI EX US INDX	14.2	7.7	1.0	1.6	3.0	8.3
CWI	SPDR MSCI ACWI EX-US	14.2	7.3	0.9	1.6	3.0	8.3
VSS	VANGUARD FTSE ALL WO X-US SC	15.6	8.8	0.6	1.5	2.3	7.2
DGS	WISDOMTREE EM SMALL CAP	12.9	8.1	0.7	1.6	3.7	8.3
FEZ	SPDR DJ EURO STOXX 50 FUND	11.7	5.5	0.8	1.4	4.1	10.8
GUR	SPDR S&P EMERGING EUROPE ETF	9.0	5.6	1.1	1.1	2.0	13.2
GML	SPDR S&P EMERGING LATIN AMER	14.6	8.7	1.8	2.4	2.2	7.4
GAF	SPDR S&P EMERGING MIDDLE EAS	12.6	8.7	1.3	2.0	2.8	8.5
CVY	CLAYMORE/ZACKS MULTI-ASSET	13.7	7.5	1.0	1.8	4.8	7.8
TOK	ISHARES MSCI KOKUSAI	14.2	8.0	1.1	1.9	2.6	7.9
AIA	ISHARES S&P ASIA 50	13.3	9.6	1.7	1.9	2.8	7.0
FNI	FIRST TRUST ISE CHINDIA INDE	17.1	9.5	1.9	2.7	1.3	6.0
GMM	SPDR S&P EMG MARKETS ETF	13.0	8.4	1.5	1.9	2.3	8.6

Valuation Tables

As of January 6, 2010. See notes at end.

based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
DGT	SPDR DJ GLOBAL TITANS ETF	12.9	7.3	1.3	2.0	3.1	8.2
GWL	SPDR S&P WORLD EX-US ETF	14.3	7.6	0.9	1.5	3.0	8.3
ADRD	BLDRS DEV MKTS 100 ADR INDEX	12.7	6.6	1.0	1.6	3.7	9.3
EWX	SPDR S&P EMERGING SMALL CAP	13.3	9.1	0.9	1.6	2.7	5.6
ADRA	BLDRS ASIA 50 ADR INDEX FUND	16.6	7.4	0.9	1.4	2.3	6.8
FEU	SPDR DJ STOXX 50 FUND	11.6	6.4	1.1	1.6	4.0	10.0
DEW	WISDOMTREE GLOBAL EQUITY INC	15.5	6.2	1.9	1.6	5.2	9.8
AFK	MARKET VECTORS AFRICA INDEX	12.6	8.7	2.1	1.9	3.2	9.2
PIE	POWERSHARES DWA EMERGING MAR	14.2	8.7	1.2	2.2	1.9	6.2
FRN	CLAYMORE/BNY MELLON FRONTIER	11.5	5.4	1.9	1.8	4.2	8.3
ADRU	BLDRS EUROPE 100 ADR INDEX	12.0	6.5	1.1	1.7	4.1	9.9
RTR	REVENUESHARES ADR FUND	12.5	5.5	0.6	1.2	3.5	9.7
PMNA	POWERSHARES MENA FRONTIER	9.5	6.5	2.0	1.2	3.8	15.0
EMIF	ISHARES S&P EM MKTS INFRASTR	14.6	7.9	1.1	1.5	3.3	5.3
MDD	SPDR S&P INTERNATIONAL MID	17.8	8.6	0.6	1.3	2.4	7.5
EEG	EMERGING GLOBAL SHARES DOW J	12.6	9.7	1.7	1.9	2.2	8.7
MES	MARKET VECTORS GULF STATES	8.1	6.1	2.2	1.2	4.3	18.6
JVS	JETS DOW JONES ISLAMIC MARKET INTERNATIK	13.3	8.4	1.4	2.0	2.8	8.3
EFN	EMERGING MARKETS FINAN TITAN	13.1	17.2	3.4	2.2	2.8	8.1
ESR	ISHARES MSCI EASTERN EUROPE	9.0	5.5	1.2	1.1	2.2	16.1

International - Style & Fundamental Indices

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
EFV	ISHARES MSCI EAFE VALUE INDEX	12.6	6.1	0.7	1.2	3.9	10.7
EFG	ISHARES MSCI EAFE GROWTH INDEX	16.3	8.8	1.1	2.0	2.5	6.7
DWM	WISDOMTREE DEFA FUND	n/a	n/a	n/a	n/a	n/a	n/a
DLS	WISDOMTREE INT'L SMALLCAP DIVIDEND	16.2	7.9	0.5	1.2	3.5	8.0
DEM	WISDOMTREE EMERG MKTS HIGH YIELD EQUIT	13.2	7.6	1.2	1.9	4.7	8.2
PID	POWERSHARES INTERNATIONAL DIVIDEND ACH	13.8	6.5	1.2	1.5	3.6	8.8
DEB	WISDOMTREE EUROPE DIVIDEND F	12.3	6.2	0.9	1.6	4.3	9.4
PXH	POWERSHARES FTSE RAFI EMRGIN	11.9	6.8	1.1	1.5	2.3	8.0
DND	WISDOMTREE PAC EX-JAP DVD FD	15.5	10.3	2.0	2.1	3.8	8.3
DOO	WISDOMTREE INTL DVD EX-FIN	13.2	5.8	0.8	1.6	4.3	8.9
DWX	SPDR S&P INTER DVD ETF	14.2	7.5	0.9	1.9	4.8	9.7
PXF	POWERSHARES FTSE-RAFI DEVELOPED EX-US	16.0	6.1	0.6	1.1	3.0	10.9
DIM	WISDOMTREE INTL M/C DVD FUND	15.4	7.8	0.7	1.4	3.5	8.1
DOL	WISDOMTREE INTL L/C DVD FUND	12.5	6.4	1.0	1.7	4.3	9.2
DNH	WISDOMTREE PAC EX-JAP EQ INC	15.2	10.0	1.4	1.9	4.9	10.2
PFA	POWERSHARES DYN DEV INTL OPP	11.1	5.8	0.5	1.3	2.9	11.2
PAF	POWERSHARES FTSE-RAFI ASIA EX-JAPAN	17.5	11.5	1.8	1.7	3.7	12.4
HGI	CLAYMORE/ZACKS INTERNATIONAL	14.9	7.0	1.2	1.7	4.0	8.6
PDN	POWERSHARES FTSE RAFI DEV EX	15.1	7.9	0.4	1.0	2.4	10.3
IFSM	ISHARES FTSE DEVELOPED SMALL	15.9	8.3	0.5	1.3	2.5	6.9
DFE	WISDOMTREE EUR S/C DIVIDEND	13.5	7.6	0.5	1.3	3.7	11.9
PIZ	POWERSHARES DWA DEVELOPED MA	16.7	9.3	1.1	2.1	1.6	6.0
DNL	WISDOMTREE WORLD EX-U.S. GRO	12.7	8.3	1.1	2.1	3.9	9.6
PEF	POWERSHARES FTSE-RAFI EUROPE	15.6	5.6	0.6	1.1	3.1	12.1
GULF	WISDOMTREE MIDDLE EAST DVD	10.0	7.0	2.4	1.6	5.0	13.5
CRO	CLAYMORE/ZACKS CNTRY ROT ETF	15.2	8.6	1.1	1.6	3.3	8.2
XGC	CLAYMORE/BNY MELLON INTL SML	16.4	7.3	1.1	1.5	1.7	4.7
EEN	CLAYMORE/BNY MELLON EW EURO	20.7	6.8	0.9	1.2	2.8	7.9

Valuation Tables

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based on 2010 estimates

Ticker	Name	P/E (x)	P/CF (x)	P/Sales (x)	P/BV (x)	Yield (%)	ALTAR (%)
International - Country ETFs							
EWZ	ISHARES MSCI BRAZIL INDEX	14.9	9.4	1.8	1.0	2.3	17.6
FXI	ISHARES FTSE/XINHUA CHINA 25	14.1	9.9	1.7	2.1	2.6	7.2
EWJ	ISHARES MSCI JAPAN INDEX	18.4	6.8	0.5	1.1	1.9	6.4
EWT	ISHARES MSCI TAIWAN	16.9	8.5	1.1	2.0	3.2	5.6
EWC	ISHARES MSCI CANADA INDEX	15.2	8.3	1.6	1.9	2.4	7.8
EWY	ISHARES MSCI KOREA	10.7	7.6	1.0	1.4	1.3	7.7
EWA	ISHARES MSCI AUSTRALIA	17.4	11.9	2.1	2.5	3.6	8.5
EWH	ISHARES MSCI HONG KONG	17.5	16.8	3.2	1.5	3.0	6.7
EWS	ISHARES MSCI SINGAPORE	15.6	10.1	1.8	1.9	3.1	6.3
RSX	MARKET VECTORS RUSSIA ETF	10.4	6.2	1.2	1.3	1.4	17.3
EWG	ISHARES MSCI GERMANY	13.4	6.4	0.6	1.5	3.3	7.3
EWU	ISHARES MSCI UNITED KINGDOM	12.4	7.7	1.0	1.8	3.7	11.0
EWV	ISHARES MSCI MEXICO	14.4	10.3	1.5	2.8	1.7	5.4
EZA	ISHARES MSCI SOUTH AFRICA IN	12.9	8.4	1.5	2.0	2.9	9.5
EPI	WISDOMTREE INDIA EARNINGS	14.3	11.2	1.5	2.4	1.3	9.3
EWM	ISHARES MSCI MALAYSIA	16.0	9.2	2.1	2.1	3.0	6.7
GXC	SPDR S&P CHINA ETF	15.2	11.4	1.8	2.3	2.2	6.4
PGJ	POWERSHARES GLD DRG H USX CH	16.5	7.1	1.4	2.1	1.6	4.6
BRF	MARKET VECTORS-BRAZIL SM-CAP	15.9	11.1	1.2	2.4	1.8	6.1
TUR	ISHARES MSCI TURKEY INVSTBLE	10.4	5.2	1.1	1.6	2.9	9.1
EWP	ISHARES MSCI SPAIN	12.1	5.3	1.3	1.8	4.7	9.6
EWQ	ISHARES MSCI FRANCE	12.9	6.4	0.8	1.4	3.7	10.1
EWL	ISHARES MSCI SWITZERLAND	13.6	10.9	1.7	2.3	2.9	5.8
PIN	POWERSHARES INDIA PORTFOLIO	16.7	12.0	1.4	2.7	1.2	7.9
EWO	ISHARES MSCI AUSTRIA INVESTA	14.4	6.0	0.8	1.0	2.5	10.7
THD	ISHARES MSCI THAILAND INVSTB	11.4	6.0	0.9	1.6	3.7	8.9
HAO	CLAYMORE CHINA SMALL CAP ETF	17.0	10.2	1.2	2.0	1.6	4.1
EWD	ISHARES MSCI SWEDEN INDEX FD	17.6	11.8	1.3	1.7	2.9	8.5
EWI	ISHARES MSCI ITALY INDEX FD	12.7	4.3	0.8	1.0	4.0	13.9
EIS	ISHARES MSCI ISRAEL CPD INVS	12.9	10.2	1.6	2.1	2.8	5.7
ITF	ISHARES S&P/TOPIX 150 INDEX	18.3	6.8	0.5	1.1	1.9	6.3
DFJ	WISDOMTREE JAP S/C DVD FUND	24.2	7.1	0.3	0.7	2.2	3.6
EPU	ISHARES MSCI ALL PERU CAPPED	15.3	11.4	3.9	3.5	2.6	9.3
EWN	ISHARES MSCI NETHERLANDS	12.4	6.2	0.6	1.2	3.1	10.6
DXJ	WISDOMTREE JAPAN DIVIDEND FD	18.1	6.2	0.4	1.0	2.2	6.5
EWK	ISHARES MSCI BELGIUM INVESTA	13.6	7.9	0.8	1.4	2.8	8.3
JSC	SPDR RUSSELL/NOMURA S/C JAPA	20.0	6.7	0.3	0.8	1.9	2.9
TAO	CLAYMORE/ALPHASHARES CHINA	14.9	14.5	3.6	1.2	2.3	8.0
VNM	MARKET VECTORS VIETNAM ETF	13.8	9.0	2.0	1.9	2.0	8.0
FCHI	ISHARES FTSE CHINA INDEX FD	13.8	10.7	1.7	2.1	2.7	6.9
SCJ	ISHARES MSCI JAPAN SM CAP	19.8	7.0	0.4	0.8	2.0	3.3
JPP	SPDR RUSSELL/NOMURA PR JAPAN	18.5	6.5	0.5	1.0	1.9	5.9
PJO	POWERSHARES FTSE-RAFI JAPAN	18.2	5.7	0.3	0.9	1.8	4.1

Note: These tables provide a summary of various valuation metrics investors may consider when buying or selling ETFs. Daily updates of these and other investment criteria are available to premium subscribers to www.etfresearchcenter.com

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