



January 4, 2013

## ***The Market Has Made up its Mind***

The fiscal cliff has been avoided-staying invested was the right thing to do. Selling everything because of the looming cliff was the wrong thing to do. It would have cost you dearly.

Here is what I said last week:

***"I still see no reason to jump off the fiscal cliff and make a dash for cash"***

As I expected, the GOP compromised from their \$1 million dollar Bush Tax Cut income level to \$450,000. I did not expect however, *not one thing in the way of spending cuts.*

It is absolutely mind boggling to me that our Federal Government will continue to spend more than one trillion dollars more than we take in every year and not have any budget or plan to reverse the direction that we are headed in. Right now, all roads lead to Athens, Greece. Rome is not doing so well either.



We live in an age of sustainability. I eat fish at the local restaurant that comes from a sustainable fishery. Many of the local burger joint serves grass-fed beef from sustainable pasture lands. We are encouraged to use sustainable and renewable energy in order to save the planet.

In the meantime, our country, and many others around the world are on an **unsustainable** course. We cannot continue to spend more than we take in, borrow from other countries to make up the gap, and print our way to prosperity. **We are on an unsustainable course.** This will not end up well at all.

The President and the Congress just bought the market more time by not doing anything about the course that we are on. In the end, tax hikes on the "rich" were the only solution that they could come up with. We are now on a sure course to go from \$16 trillion in debt to \$20 trillion in debt in the next four years. That is probably the best case scenario.

So what does an investor do with this almost certain inevitability? Your choices are as follows:

1. Sit in cash and lose 3-4% per year in buying power due to inflation. Don't forget, inflation is fairly tame now, but what about the future?
2. Invest now in a doomsday scenario that shorts the U.S. Dollar, shorts interest rates, and goes long gold.
3. Invest in a widely diversified basket (asset allocation) of stocks, bonds, and commodities that is meant to minimize risk.
4. Deal with the hand we are currently dealt and invest in the best performing assets now and make adjustments along the way as the economic cycle turns.

Sitting on the sidelines in cash has been the **WRONG** thing to do since March of 2009. The market is up 120% since then. Your cash has been going backwards by 3-4% per year. That is a big difference.

I am a market timer and I have been fully invested since March of 2009. I stayed invested throughout the fiscal cliff concerns, and I remain fully invested today. How long will I stay invested in the market?

***I take it one day at a time, one week at a time, and one investment at a time.***

Investing in a doomsday scenario has been a losing trade for a long time now. Interest rates have been kept artificially low by the Fed. Shorting the bond market has not been good way to go-just ask Bill Gross of PIMCO. It may be a great trade in the future, but that time is not here yet.

Here is how that trade has done over the last three years:



Ouch!

Betting against the dollar has not been a very good bet over last three years.



The shine has come off of gold since August of 2011. It has been the wrong place to be.



Shorting the market would have been a devastating decision:



Have the doomsday newsletter writers made you any money lately?

I am not saying that we are not on a doomsday course however, because we are. There will come a time in the future when doomsday investing very well could be highly profitable, but now is not that time.

Asset allocation is practiced by many people in my line of work. It takes very little thinking on the part of the money manager. They enter in your age, the software spits out a formula, the investments are made, and there is very little to be done after that.

When domestic market gets crushed, that portion of your allocation gets crushed. When interest rates rise, your bond allocation gets clobbered. When international markets plunge, that portion of your portfolio gets clobbered.

You are told by your *asset allocating advisor* that is best to *stay the course*, because that is how asset allocation is designed to work. It is rare for all of the various pieces of your allocation to get clobbered at the same time. They just take turns getting clobbered.

Sorry, but I am not a believer in asset allocation. It gives investors a false sense of security. I prefer some active management along the way instead.

For this reason, I believe in going where the action is and making adjustments along the way. Where is the action right now as we begin 2013? Let's first look at our domestic equity market.



I have been saying for the last several weeks that the market was in an undecided symmetrical triangle. As you can see from the chart above, the market has now broken out of that neutral trend and it is now charging towards new all-time highs.

Global markets continue to spring higher.



The bond market looks a little dicey to me, however:



Meanwhile dividend payers are breaking loose after the fiscal cliff was averted:



We finished a very tentative week with a bang!

Asset Class	Fri. 12/28/12 Close	Fri. 1/4/13 Close	Week Change	Week Pct. Change
S&P500	1402.43	1466.47	64.04	4.57%
DJIA	12,938.49	13,435.21	496.72	3.84%
NASD	2960.31	3101.66	141.35	4.77%
S&P600 (Small)	467.41	492.62	25.21	5.39%
S&P400 (Mid-Cap)	1004.28	1056.07	51.79	5.16%
Emg. Mkts (VWO)	43.89	45.28	1.39	3.17%
Em Mkt Sm. Cap (DGS)	48.69	50.00	1.31	2.69%
Europe (EFA)	55.99	57.47	1.48	2.64%
China (FXI)	39.55	41.62	2.07	5.23%
Latin America (ILF)	43.29	45.25	1.96	4.53%
U.S. 10yr. Tr.	1.71%	1.91%	0.20%	-11.70%
Greece 10yr. Bond	12.02%	11.47%	-0.55%	4.58%
Italy 10yr. Bond	4.50%	4.25%	-0.25%	5.56%
Spain 10yr. Bond	5.27%	5.03%	-0.24%	4.55%
Oil	90.81	92.97	2.16	2.38%
Gold	1655.40	1657.90	2.50	0.15%

As you can see, big moves higher in U.S. and China. The only down market was the U.S. bond market which again continues to look shaky at best.

Here is how we finished 2012:

Asset Class	12/31/11 Value	12/31/2012 Close	2012 Final	YTD Pct. Change
S&P500	1257.60	1426.19	168.59	13.41%
DJIA	12,239.74	13104.00	864.26	7.06%
NASD	2610.68	3019.51	408.83	15.66%
S&P600 (Small)	415.07	476.57	61.50	14.82%
S&P400 (Mid-Cap)	879.16	1020.43	141.27	16.07%
Emg. Mkts (VWO)	38.21	44.53	6.32	16.54%
Em Mkt Sm. Cap (DGS)	41.34	49.44	8.10	19.59%
Europe (EFA)	49.53	56.86	7.33	14.80%
China (FXI)	34.87	40.45	5.58	16.00%
Latin America (ILF)	42.57	43.84	1.27	2.98%
U.S. 10yr. Tr.	1.87%	1.91%	0.04%	-2.14%
Spain 10yr. Bond	5.22%	5.03%	-0.19%	3.64%
Oil	98.87	92.97	-5.90	-5.97%
Gold	1565.90	1657.90	92.00	5.88%

Again, here is what I said last week:

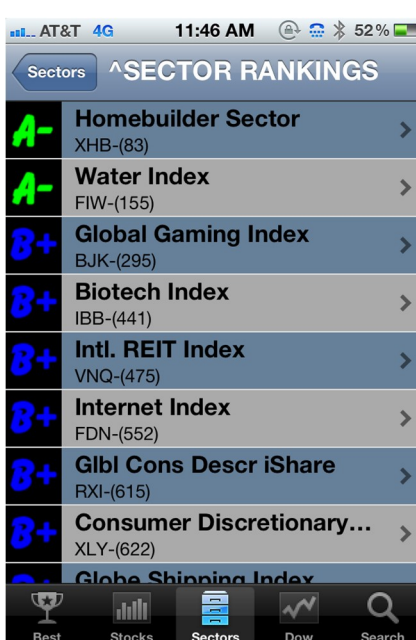
*"I still see no reason to jump off the fiscal cliff and make a dash for cash"* How did I do?

Here are this week's sector rankings vs. last week's sector rankings.

### Last Week



### This Week



Homebuilding/Construction Index remains on top, while Biotech, Consumer, and International REIT also remain in the top 8. The internet index has also made a foray into the top 8.

Here are this week's lowest rated sectors:

### Last Week



### This Week



Now that the fiscal cliff is resolved, I will remove the yellow caution flag and fly the full speed-ahead flag once again. I remain almost fully invested for now, just as I have been for almost 4 years.



@billgunderson

Please follow me on Twitter, Facebook, or LinkedIn throughout the week for any changes in my current stance on the market or individual stocks. My tweets are also found on my **BEST STOCKS NOW** app every day, and on the [homepage](http://www.pwstreet.com) of my website:

<http://www.pwstreet.com>



## **Bill Gunderson's Model Portfolio for Investors seeking AGGRESSIVE/Moderate Growth.**

This is my most aggressive portfolio. It is designed for investors with long-term time horizons, seeking maximum growth. This portfolio is made up mainly of small and mid-cap stocks with superior growth potential.

This portfolio is more volatile than the *Conservative Growth Portfolio* and the *Income/Growth Portfolio*. This portfolio also carries more risk than the other two. It also has a higher turnover rate. It also has the most upside potential, however.

This portfolio is up

THIS SECTION FOR CLIENTS AND SUBSCRIBERS ONLY

## **Bill Gunderson's Model Portfolio for Conservative Growth Investors:**

This model is made up of mostly mid-cap and large cap companies that I consider suitable for investors who have a **conservative growth risk profile**. Time horizon of at least 3-5 years would be appropriate.

This portfolio is up

THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY

## **Bill Gunderson's INCOME/GROWTH Model Portfolio**

This portfolio is for investors seeking Income along with the possibility of Growth. This is a good mix for retirees who are seeking a CD alternative-albeit with greater risk. This portfolio currently has an average yield of **6.1%**.

This portfolio is now up 11.52% since its August 5, 2011 inception. This is net of all \$7 trades and an annual mgt. fee of 2.0%. That works out to an annualized rate of **8.12%**.

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## **Bill Gunderson's ETF Model Portfolio**

This portfolio is for investors seeking growth. This portfolio can be done with as little as \$10,000 and I strive to keep trading costs down to a minimum.

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# 401-K Section

Everyone has different choices to them in their 401-ks. The choices basically fall into about broad categories however: Large Cap, Mid-Cap, Small-Cap, Govt. Bond, Corp. Bond, Inflation Protected Bond, International, Emerging Market, and maybes sectors like technology, natural resources, etc.

I have added a number of mutual funds to my **Best Stocks Now** database that are representative of the various categories of funds that are available in most 401k plans. I grade them on a daily basis.

If you have a wide selection of mutual funds in your plan, here is my current basic recommendation to begin 2013.

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## 401-K Section (VERY BASIC)

Many folks have a very limited selection of choices in your 401-k. THIS NEW SECTION IS FOR YOU!

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I track just over 3,200 stocks, funds, eff's, etc. I spend several hours looking at them each day. I especially focus in on the ones I own, the stocks rising in rank, and the A- or better rated stocks (usually about the top 200). I like Performance and Value. Here is a good example of what I mean by this...

Rank 1-300 JBHT-(20)

**BEST STOCKS NOW! APP**

**Hunt JB Trans Scvcs Inc**

Sector	Transportation
Market Cap	7,320,000,000
Size	Mid-Cap
Risk Profile	Moderate

**Valuation 01/04/13**

Last Closing Price	\$61.88
Next Yr EPS Est	\$3.00
Forward PE Ratio	20.63
Est 5Yr Annual Gr	20.72%

Best Stocks Sectors Dow Search

Rank 1-300 JBHT-(20)

**Valuation 01/04/13**

Last Closing Price	\$61.88
Next Yr EPS Est	\$3.00
Forward PE Ratio	20.63
Est 5Yr Annual Gr	20.72%
PEG Ratio	1.00
5Year Target Price	\$111.87
Dividend Yield	1.00%
5Yr Tot Ret Pot	85.8%

**Gunderson Value Grade**

**B+**

Best Stocks Sectors Dow Search

AT&T 4G 1:42 PM 67%

Rank 1-300 JBHT-(20)

Performance of JBHT vs S&P 500		
1 Mo Total Return	6.7%	0.5%
3 Mo Total Return	14.6%	3.7%
12 Mo Total Return	38.2%	14.8%
Momentum Grade	A-	C
3 Yr Avg Tot Ret	24.8%	9.0%
5 Yr Avg Tot Ret	22.2%	0.8%
10 Yr Avg Tot Ret	25.1%	4.9%
Performance Grade	A-	C
2008 Total Return	-3.4%	-38.5%
Safety Grade	B	C

Best Stocks Sectors Dow Search

AT&T 4G 1:42 PM 67%

Rank 1-300 JBHT-(20)

Gunderson Stock Grade	
<b>A</b>	
Ranking	
Current	20 / 3200
1 day ago	21
7 days ago	67
1 month ago	50
2 months ago	25
3 months ago	85

Best Stocks Sectors Dow Search

**BILL GUNDERSON WEEKLY TOP 200 LIST:**

**THIS SECTION IS FOR CLIENTS AND SUBSCRIBERS ONLY, BUT HERE IS A PEEK AT 150-200**

## Bill Gunderson's

### Best Stocks Now

### Top 200 as of 1/4/2013

		Six	Three	Two	Six	One	Two	One		
		Mos. Ago	Mos. Ago	Mos. Ago	Wks. Ago	Mo. Ago	Wks. Ago	Wk. Ago	Yest.	Current
		<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>	<u>Rank</u>
A- NVO	Novo Nordisk A/S	52	26	29	156	19	116	99	172	<b>151</b>
A- SHW	Sherwin-Williams Co	63	31	144	27	31	257	264	229	<b>152</b>
A- CERN	Cerner Corp	17	148	51	12	77	162	240	161	<b>153</b>
A- CTEL	City Telecom HK Ltd ADR	790	2244	247	42	57	187	182	230	<b>154</b>
A- FIW	Water Index	0	617	610	1225	671	118	270	153	<b>155</b>
A- ASCA	Ameristar Casinos Inc	2317	2003	1545	1604	1623	1744	156	156	<b>156</b>
A- NEOG	Neogen Corp	59	132	217	46	13	23	115	134	<b>157</b>
A- ULTI	Ultimate Software	28	141	89	185	124	146	138	157	<b>158</b>
A- POPE	Pope Resources Ltd Ptnrs	121	802	407	727	677	269	271	159	<b>159</b>
A- LUX	Luxottica Grp SpA ADR	695	789	303	397	348	93	129	140	<b>161</b>
A- PRA	Proassurance Corp.	551	1645	984	1837	793	849	2504	160	<b>162</b>
A- FLXS	Flexsteel Ind Inc	518	1227	1112	769	795	703	228	142	<b>163</b>
A- SIRI	Sirius Satellite Radio	1918	901	211	910	517	173	101	182	<b>164</b>
A- URBN	Urban Outfitters Inc	1009	245	149	337	467	205	378	162	<b>165</b>
A- DPZ	Dominoes Pizza	840	547	110	213	251	120	128	195	<b>166</b>
A- AIMC	Altra Holdings	1344	864	281	594	660	328	141	207	<b>167</b>
A- BME	BlackRock Health Sciences Trust	290	332	795	813	337	208	414	101	<b>168</b>
A- HOV	Hovnanian Enterprises A	1762	1422	1021	877	1864	1077	150	165	<b>169</b>
A- NHI	National Health Investor	395	975	374	248	224	195	237	167	<b>170</b>
A- SNA	Snap On Inc	612	398	191	116	249	151	210	121	<b>171</b>
A- ALXN	Alexion Pharmaceuticals	9	46	239	225	40	143	211	179	<b>172</b>
A- JBSS	Sanfilippo John B & Son	463	1932	1000	1203	770	505	89	168	<b>173</b>
A- SODA	Sodastream	1627	2232	1534	1222	257	175	75	88	<b>174</b>
A- JOBS	Fifty One Job Inc.	1043	317	219	28	301	827	987	943	<b>175</b>
A- CSL	Carlisle Cos Inc	301	757	100	240	320	177	108	170	<b>176</b>
A- EMN	Eastman Chemical Co	874	365	319	464	484	239	94	171	<b>177</b>
A- RKT	Rock Tenn Co Cl A	768	196	237	618	389	94	122	228	<b>178</b>
A- UPV	Europe Index 2X	2621	68	557	1579	549	241	126	295	<b>179</b>
A- ULTA	Ulta Salon	306	406	175	351	139	182	118	175	<b>182</b>
A- OCN	Ocwen Financial Corp	676	7	3	31	11	11	13	238	<b>183</b>
A- SCCO	Southern Copper Corp	398	565	70	89	52	137	179	248	<b>184</b>
A- TUP	Tupperware Corp	471	739	275	137	155	196	251	249	<b>185</b>
A- ACIW	A C I Worldwide	294	935	789	192	141	160	252	155	<b>186</b>
A- HOTT	Hot Topic Inc	1056	1371	622	226	205	163	462	191	<b>187</b>
A- JKS	Jinksolar Hldg.	2298	1067	1968	2113	542	322	236	139	<b>188</b>
A- NC	Nacco Ind.	458	12	5	54	37	75	52	133	<b>189</b>
A- PII	Polaris Industries Inc	138	32	25	111	187	106	201	141	<b>190</b>
A- TDG	Transdigm Group Inc	12	44	2	70	212	157	186	158	<b>191</b>
A- BRLI	Bio Reference Lab Inc	388	30	68	457	131	110	114	205	<b>192</b>
A- MKTAY	Makita Corp ADR	2204	655	761	851	562	124	134	163	<b>193</b>
A- ACRX	Aclrx Pharm.	2768	2767	2983	2958	1473	2262	1716	183	<b>194</b>
A- ITB	U.S.Home Const.Index	0	178	42	294	754	229	379	184	<b>195</b>
A- FBT	Biotech Index-First Trust	0	0	1421	221	171	260	666	265	<b>196</b>
A- DGS	WisdomTree Emerging Market	1317	663	1678	1493	927	230	165	186	<b>197</b>
A- BDC	Belden CDT	1975	1846	2183	2609	2090	194	113	218	<b>198</b>
A- HGR	Hanger Orthopedic Grp	470	273	355	265	80	150	131	211	<b>199</b>
A- NEU	Newmarket Corp.	101	288	82	80	74	119	244	154	<b>200</b>

Bill Gunderson's Top 200 is a new feature in the newsletter. I can tell you from experience that it is very powerful. The Top 200 is a reflection of the market and the economy. These trends can remain in place for a long time. Sometimes bonds are at the top, sometimes cash is at the top, and there are even times when inverse funds rule the roost. Study this list carefully each week.

**Bill Gunderson is a professional fee-based money manager. Gunderson Capital Management manages hundreds of accounts all across the country. Minimum account size is \$50,000. Annual Mgt. fees are 2% on accounts under \$250,000, 1.5%-1.75% on accounts between \$250k and \$1 million, and 1% on accounts over \$1 million. Call us for a portfolio evaluation and more info. (855)611-BEST.**



My Best Stocks Now Radio Hour is heard on the Salem Broadcast Network every weekday from 7:00am to 8:00am PST. **I HAVE DISCONTINUED MY SAN DIEGO SHOW. THE STATION'S SIGNAL IS JUST TOO WEAK.** I can now be heard in Atlanta.

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In addition to this we will also download the shows to the radio archives on my website <http://pwstreet.com> and send them to iTunes. There is no excuse to not keep up on your investments!



Bill Gunderson is also columnist for *The Street.com*, *MarketWatch.com*, and *SeekingAlpha.com*.



No article this week, but I made an appearance on the Fox TV Business network with Liz Clayman the week before.

Click here to view my 2013 predictions:

[http://www.foxbusiness.com/on-air/closing-bell/index.html#/v/2043996213001/time-for-investors-to-sell-gun-stocks/?playlist\\_id=87063](http://www.foxbusiness.com/on-air/closing-bell/index.html#/v/2043996213001/time-for-investors-to-sell-gun-stocks/?playlist_id=87063)

Watch for Bill Gunderson on:



Here are snippets on all of the stocks I have talked about on my radio show, and articles that I have written over the last few months. They are in alphabetical order.

<http://pwstreet.com/good-bad-stocks/>

## 2012 Conservative Growth Model Portfolio Sells

	<u>Bought</u>	<u>Bought</u>	<u>Bought</u>	<u>Sector</u>	<u>Buy Price</u>	<u>Shares</u>	<u>Tot. Buy</u>	<u>Sell Price</u>	<u>Total Sell</u>	<u>Pct. G/L</u>	<u>Sell Date</u>	
1	27-May-11	VIV	Telefonica Brasil	Utility	\$27.96	158	\$4,418	\$27.79	\$4,391	-0.6%	3-Feb-12	
2	19-Nov-10	ARLP	Alliance Res. Ptrs.	Commodities	\$57.92	93	\$5,387	\$72.44	\$6,737	25.1%	2-Mar-12	
3	10-Jun-11	KOF	Coca Cola Femsa	Consumer	\$88.13	52	\$4,583	\$101.16	\$5,260	14.8%	9-Mar-12	
4	21-Oct-11	MCD	McDonalds	Consumer	\$91.63	49	\$4,490	\$95.60	\$4,684	4.3%	23-Mar-12	
5	6-Nov-08	KMP	Kinder Morgan	Energy	\$43.10	55	\$2,371	\$82.32	\$4,528	91.0%	30-Mar-12	
6	13-Jan-12	EOG	E O G Resources	Energy	\$103.04	46	\$4,740	\$109.18	\$5,022	6.0%	6-Apr-12	
7	6-Nov-08	O	Realty Income	REIT	\$16.68	130	\$2,168	\$37.50	\$4,875	124.8%	6-Apr-12	
8	6-Jan-12	AAPL	Apple Computer	Technology	\$422.40	2	\$845	\$608.90	\$1,218	44.2%	13-Apr-12	
9	7-Jan-11	PCLN	Priceline.com	Consumer	\$440.59	6	\$2,644	\$742.13	\$4,453	68.4%	13-Apr-12	
10	4-Feb-12	CAT	Caterpillar	Industrial	\$113.94	41	\$4,672	\$106.62	\$4,371	-6.4%	13-Apr-12	
11	2-Mar-12	CMI	Cummins Engine	Industrial	\$120.38	35	\$4,213	\$114.94	\$4,023	-4.5%	13-Apr-12	
12	13-Jan-12	CELG	Celgene	Medical	\$72.63	64	\$4,648	\$73.45	\$4,701	1.1%	27-Apr-12	
13	30-Mar-12	BIDU	Baidu	Technology	\$145.77	33	\$4,810	\$134.60	\$4,442	-7.7%	27-Apr-12	
14	12-Aug-11	TNH	Terra Nitrogen	Commodities	\$165.98	27	\$4,481	\$237.40	\$6,410	43.0%	4-May-12	
15	22-Apr-11	ABV	Comp de Bebida	Consumer	\$31.07	144	\$4,474	\$39.67	\$5,712	27.7%	11-May-12	
16	29-Jul-11	UGP	Ultrapar Participaco	Utility	\$17.83	252	\$4,493	\$21.71	\$5,471	21.8%	11-May-12	
17	21-Oct-11	GWW	Grainger	Industrial	\$167.03	27	\$4,510	\$186.29	\$5,030	11.5%	18-May-12	
18	27-Apr-12	EC	Ecopetrol	Energy	\$63.13	62	\$3,914	\$57.42	\$3,560	-9.0%	25-May-12	
19	22-Apr-11	FMX	Fomento Econ Mex	Consumer	\$62.48	72	\$4,499	\$78.41	\$5,646	25.5%	25-May-12	
20	9-Mar-12	BPT	B P Prudhoe Bay	Energy	\$124.11	38	\$4,716	\$107.20	\$4,074	-13.6%	1-Jun-12	
21	27-Apr-12	DISCA	Discovery Com Cl A	Media	\$54.93	70	\$3,845	\$51.01	\$3,571	-7.1%	8-Jun-12	
22	20-Apr-12	YUM	Yum! Brands	Consumer	\$73.72	63	\$4,644	\$64.03	\$4,034	-13.1%	8-Jun-12	
23	25-May-12	EFZ	Europe Inverse 1X	Inverse	\$52.06	91	\$4,737	\$50.28	\$4,575	-3.4%	22-Jun-12	
24	18-May-12	EUM	Emg. Mkts. Inverse 1:1	Hedge	\$33.32	142	\$4,731	\$32.23	\$4,577	-3.3%	22-Jun-12	
25	22-Oct-10	AZO	Autozone	Consumer	\$234.72	14	\$3,286	\$359.00	\$5,026	52.9%	27-Jun-12	
26	6-Apr-12	ESRX	Express Scripts	Medical	\$56.94	70	\$3,986	\$51.90	\$3,633	-8.9%	25-Jun-12	
27	20-Apr-12	ORLY	O'Reilly Automotive	Consumer	\$96.63	48	\$4,638	\$95.23	\$4,571	-1.4%	25-Jun-12	
28	7-Jan-11	PCLN	Priceline.com	Consumer	\$440.59	7	\$3,084	\$643.46	\$4,504	46.0%	28-Jun-12	
29	8-Jun-12	FXP	China Inverse 2:1	Inverse	\$31.06	150	\$4,659	\$27.86	\$4,179	-10.3%	20-Jul-12	
30	8-Jun-12	WFM	Whole Foods Mkt.	Consumer	\$90.67	52	\$4,715	\$85.23	\$4,432	-6.0%	20-Jul-12	
31	20-Apr-12	ISRG	Intuitive Surgical	Medical	\$575.60	8	\$4,605	\$498.50	\$3,988	-13.4%	20-Jul-12	
32	26-Aug-11	MA	Mastercard	Consumer	\$325.17	14	\$4,552	\$409.89	\$5,738	26.1%	24-Jul-12	
33	21-Oct-11	SBUX	Starbucks	Consumer	\$41.93	108	\$4,528	\$50.41	\$5,444	20.2%	25-Jul-12	
34	6-Apr-12	FDO	Family Dollar	Consumer	\$64.84	62	\$4,020	\$62.35	\$3,866	-3.8%	24-Aug-12	
35	30-Sep-11	DG	Dollar General	Consumer	\$37.76	121	\$4,569	\$51.07	\$6,179	35.2%	31-Aug-12	
36	26-Aug-11	DLTR	Dollar Tree	Consumer	\$35.23	130	\$4,580	\$48.49	\$6,304	37.6%	31-Aug-12	
37	7-Oct-11	TJX (Sell 1/2)	T J Maxx	Consumer	\$27.77	\$27.77	82	\$2,277	\$45.18	\$3,705	62.7%	21-Sep-12
38	21-May-10	ROST	Ross Stores	Consumer	\$25.76	\$25.76	68	\$1,751	\$64.17	\$4,364	149.2%	28-Sep-12
39	27-Jul-12	NLY	Annaly Mortgage	Finance	\$17.44	\$16.94	273	\$4,761	\$16.60	\$4,532	-2.0%	5-Oct-12
40	6-Jan-12	AAPL	Apple Computer	Technology	\$422.40	\$422.40	9	\$3,802	\$637.52	\$5,731	50.9%	8-Oct-12
41	10-Aug-12	DTV	Directv Cl A	Media	\$51.86	\$51.86	90	\$4,667	\$51.22	\$4,610	-1.2%	9-Oct-12
42	7-Oct-11	TJX	T J Maxx	Consumer	\$27.77	\$27.77	82	\$2,277	\$43.88	\$3,591	58.0%	11-Oct-12
43	13-Jul-12	AGNC	American Cap. Agency	Finance	\$34.50	\$33.48	138	\$4,761	\$33.07	\$4,557	-1.2%	10-Oct-12
44	31-Aug-12	EW	Edwards Lifesciences	Medical	\$102.18	\$102.18	46	\$4,700	\$86.74	\$3,983	-15.1%	18-Oct-12
45	31-Aug-12	ESRX	Express Script	Medical	\$62.73	\$62.73	76	\$4,767	\$51.97	\$3,950	-17.2%	23-Nov-12
46	8-Oct-12	CBD	Companhia Brasileira	International	\$48.47	\$48.47	112	\$5,429	\$44.31	\$4,963	-8.6%	30-Nov-12
47	21-Sep-12	GOLD	Randgold Resources	Basic Mat.	\$123.86	\$123.86	29	\$3,592	\$102.31	\$2,967	-17.4%	7-Dec-12
49	24-Aug-12	SLW	Silver Wheaton	Basic Mat.	\$34.08	\$34.08	139	\$4,737	\$35.87	\$4,986	5.3%	18-Dec-12
48	29-Jun-12	PRGO	Perrigo	Drug	\$117.46	\$117.46	40	\$4,698	\$102.45	\$4,098	-12.8%	21-Dec-12





## 2012 Income Model Portfolio Sells

	Bought	Bought	Bought	Sector	Buy Price	Shares	Tot. Buy	Sell Price	Total Sell	Pct. G/L	Sell Date		
1	5-Aug-11	CEF	Central Fund Canada	Pr. Metals	\$23.93	209	\$5,001	\$19.97	\$4,174	-16.5%	6-Jan-12		
2	5-Aug-11	ARLP	Alliance Res. Ptr.	Energy	\$69.34	72	\$4,992	\$61.09	\$4,398	-11.9%	30-Mar-12		
3	23-Mar-12	BTI	British Tobacco	Consumer	\$101.45	\$100.21	40.0	\$4,058	\$101.91	4.076	1.7%	3.7%	4.1%
4	5-Aug-11	TSU	T I M Participaco	Telcom	\$26.78	186	\$4,981	\$28.21	\$5,247	5.3%	3-Feb-12		
5	5-Aug-11	NLY	Annaly Mortgage	REIT	\$17.53	285	\$4,996	\$16.17	\$4,608	-7.8%	9-Mar-12		
6	30-Sep-11	NUV	Nuveen Muni Val. Fund	Muni Bond	\$9.73	407	\$3,960	\$9.79	\$3,985	0.6%	23-Mar-12		
7	11-Nov-11	BCE	B C E Inc.	Telcom	\$39.32	104	\$4,089	\$39.81	\$4,140	1.2%	13-Apr-12	5.4%	
8	5-Aug-11	TNH	Terra Nitrogen	Commodity	\$160.50	31	\$4,976	\$238.65	\$7,398	48.7%	4-May-12	7.8%	
9	5-Aug-11	VIV	Telefonica Brasil	Telcom	\$29.78	168	\$5,003	\$27.64	\$4,644	-7.2%	11-May-12	3.9%	
10	5-Aug-11	TU	Telus Corp.	Telcom	\$50.60	99	\$5,009	\$57.96	\$5,738	14.5%	11-May-12	4.3%	
11	11-Nov-11	AMPLP	Alerian MLP	Energy	\$15.79	258	\$4,074	\$15.46	\$3,989	-2.1%	1-Jun-12	6.4%	
12	6-Jan-12	BPT	B P Prudhoe Bay	Energy	\$117.12	36.0	\$4,216	\$107.38	\$3,866	-8.3%	1-Jun-12	9.5%	
13	7-Oct-11	SLX	Sunoco Logistics Ptrs.	Energy	\$29.92	132	\$3,949	\$33.28	\$4,393	11.2%	1-Jun-12	4.4%	
14	3-Feb-12	SDRL	Seadrill Ltd	Energy	\$37.88	117.0	\$4,432	\$32.20	\$3,767	-15.0%	1-Jun-12	8.5%	
15	4-May-12	NGLS	Targa Resources	Energy	\$45.35	85.0	\$3,855	\$36.65	\$3,115	-19.2%	8-Jun-12	6.6%	
16	1-Jun-12	EFZ	Europe Inverse 1X	Inverse	\$53.74	\$50.44	79.0	\$4,245	\$50.48	\$3,988	-6.1%	22-Jun-12	0.0%
17	1-Jun-12	EUM	Emg.Markets Inverse 1X	Inverse	\$33.73	\$31.74	126.0	\$4,250	\$32.29	\$4,069	-4.3%	22-Jun-12	0.0%
18	6-Jan-12	WHX	Whiting Usa Trust	Energy	\$17.83	\$16.41	240.0	\$4,279	\$9.35	\$2,244	-43.0%	20-Jul-12	17.4%
19	5-Aug-11	WPC	W P Carey	REIT	\$35.80	\$34.41	140	\$5,012	\$43.39	\$6,075	26.1%	11-Sep-12	4.8%
20	13-Jul-12	DLR	Digital Realty Trust	Real Estate	\$78.48	\$78.00	57.0	\$4,473	\$69.83	\$3,980	-11.0%	21-Sep-12	3.9%
21	11-May-12	TGH	Textainer Corp.	Trans.	\$36.63	\$36.22	123.0	\$4,505	\$31.33	\$3,854	-13.5%	21-Sep-12	5.3%
22	13-Apr-12	LO	Lorillard	Consumer	\$138.88	\$127.17	32.0	\$4,444	\$116.58	\$3,731	-8.3%	21-Sep-12	5.3%
23	11-Nov-11	ACC	Amer. Campus Comm.	REIT	\$38.65	\$37.79	106	\$4,097	\$42.95	\$4,553	13.7%	5-Oct-12	2.9%
24	13-Apr-12	AVB	Avalon Bay Comm.	REIT	\$140.70	\$138.16	32.0	\$4,502	\$135.90	\$4,349	-1.6%	5-Oct-12	2.7%
25	13-Jul-12	HCN	Health Care REIT	Real Estate	\$60.58	\$59.89	73.0	\$4,422	\$59.60	\$4,351	-1.6%	5-Oct-12	5.0%
26	8-Jun-12	NLY	Annaly Capital	REIT	\$16.70	\$15.75	250.0	\$4,175	\$16.54	\$4,135	5.0%	5-Oct-12	12.6%
27	8-Jun-12	CMO	Capstead Mortgage	REIT	\$14.14	\$13.39	300.0	\$4,242	\$12.96	\$3,888	-3.2%	8-Oct-12	10.0%
28	21-Sep-12	STWD	Starwood Prop. Trust	REIT-Mort.	\$24.33	\$23.76	187.0	\$4,550	\$23.07	\$4,314	-5.2%	9-Oct-12	7.3%
29	5-Aug-11	AGNC	Amer. Cap. Agency	Mortgage	\$28.35	\$22.92	176	\$4,990	\$34.93	\$6,148	52.4%	10-Oct-12	13.8%
30	5-Aug-11	NHI	Nat. Health Investors (Partial Sell)	REIT	\$40.60	\$37.77	21	\$853	\$54.00	\$1,134	43.0%	2-Nov-12	5.0%
31	5-Aug-11	OHI	Omega Health. (Partial Sell)	REIT	\$15.82	\$14.61	50	\$791	\$23.27	\$1,164	59.3%	2-Nov-12	6.8%
32	14-Sep-12	TWO	Two Harbors Invst.	REIT-Mort.	\$11.96	\$11.54	278.0	\$3,325	\$10.98	\$3,052	-4.9%	16-Nov-12	12.0%
33	21-Sep-12	GOLD	Randgold	Basic Mat.	\$124.13	\$124.13	36.0	\$4,469	\$102.21	\$3,680	-17.7%	7-Dec-12	0.4%

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