

Monday February 3, 2014

Closing prices of January 31, 2014

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- PLEASE VIEW OUR ADDITIONAL “INVESTMENT SPECIFIC DISCLOSURES” FOUND TOWARDS THE END OF THIS REPORT.
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Monday February 3, 2014

Closing prices of January 31, 2014

**Stocks showed lots of volatility last week but when all was said and done the S&P 500 was only down 0.43% and essentially trading sideways.** Investors had a lot to digest including the Fed's tapering, economic news from China, lukewarm economic data in the U.S., currency issues around the world, and fourth quarter earnings reports which included some disappointing forecasts. The result was most major indexes trading lower last week but the Dow Transports gained 0.42% and the S&P Midcap 400 was up 0.05%. The losers were led by the Bank of NY Mellon ADR index, down 1.64% and the worst major index in 2014 with a loss of 5.65%, and the Dow Industrials, down 1.14% and showing a drop of 5.30% year-to-date. The S&P 500 is down 3.56% in 2014.

**Five of the ten S&P sectors rose last week.** The leader was Utilities, up 2.86% and the year-to-date leader, followed by Health Care, up 0.56%, Materials, up 0.47%, Industrials, up 0.41%, and Telecom, scraping by with a gain of 0.03%. The downside was led by Consumer Staples, down 1.66%, and Energy, down 1.49% and the year-to-date loser with a drop of 6.33%.

**Thirteen of the twenty-four S&P industry groups traded higher last week.** The leader was Utilities, up 2.86% and the year-to-date leader, followed by Real Estate, up 1.92%, Software & Services, up 1.35%, and Media, up 1.03%. The laggards on the week were Technology Hardware & Equipment, down 4.68%, Automobiles & Components, down 3.12%, and Retailing, down 2.80%. Insurance is the big loser year-to-date, down 7.81%, followed by Retailing, down 7.68%.

**Last week we said we expected a bounce in the coming days, and the lack of any type of rally would be troubling.** Monday's session was a follow through to the downside after the prior Friday's plunge where only 4.07% of the S&P 1500 stocks had a gain on the day. The S&P 500 closed Monday at 1781.56, and after alternating up and down days closed the week at 1782.59. Along the way it held the low 1770s support level from mid-December. Obviously a break of that level would be bearish with one price pattern targeting the 1740s. We think last week's action means there is a high probability there has been a change in the tone of the market. Many indicators are at levels where they bottomed during 2013, while some have regressed to levels not seen since 2012. Since mid-January the up days have come on smaller volume than the down days. So, buyers have become reluctant while sellers have become more aggressive. We have said for a while that longer-term charts were overbought and it was only a matter of time until they entered a mean reversion mode. Stocks are now working off that overbought condition, and we will be watching for signs that it is turning into something more worrisome.

**In the short-term stocks are oversold and pessimism is getting extreme.** On Monday the percentage of stocks over their own 10-day moving averages hit an extreme oversold level of 10.6%, the lowest since 11/15/2012. It bounced to 18.1% after Tuesday's up day but was back to 12.3% Wednesday before closing the week just above the oversold zone at 26.4%. Our proprietary options indicator is showing lots of pessimism at 0.87, the lowest since 10/3/2013. This is an area where rallies can begin and plunges are unlikely, and further weakness should set up some very attractive entry points. On Friday we entered a period of very positive seasonality which runs through 2/6. We have said for a while that we will be watching that period closely for signs of weak investor demand which could signal problems in February. **A failure for investor demand to increase during this period of positive seasonality with oversold and pessimistic conditions would be a red flag.**

**Longer-term we remain bullish, as we have been for a very long time.** However, as we said last week, momentum indicators on longer-term charts are starting to roll over from overbought levels, so it is possible we are in for a prolonged period of consolidation or correction that will be frustrating for investors. Therefore, until proven otherwise, we remain in a short-term trader's market.

**Valuation, based on spreads between equity and bond yields, has improved as the spreads have widened substantially as stocks and bond yields have fallen in tandem.** They are back in the middle of the range they have been in since June 2013, which is also the range of pre-August 2011. On a historical basis they remain at levels where stocks should be attractive versus bonds. Still, we would like to see aggregate earnings and projections increase during the current earnings season because with P/E ratios still near multi-year highs equities can't continue to rely on multiple expansion for price appreciation. **In 2013 the S&P 1500 gained 30.11%. The P/E ratio expanded 20.1%. Earnings only increased 8.1%. Without aggregate earnings growth it will be tough sledding for equities even with low interest rates.**

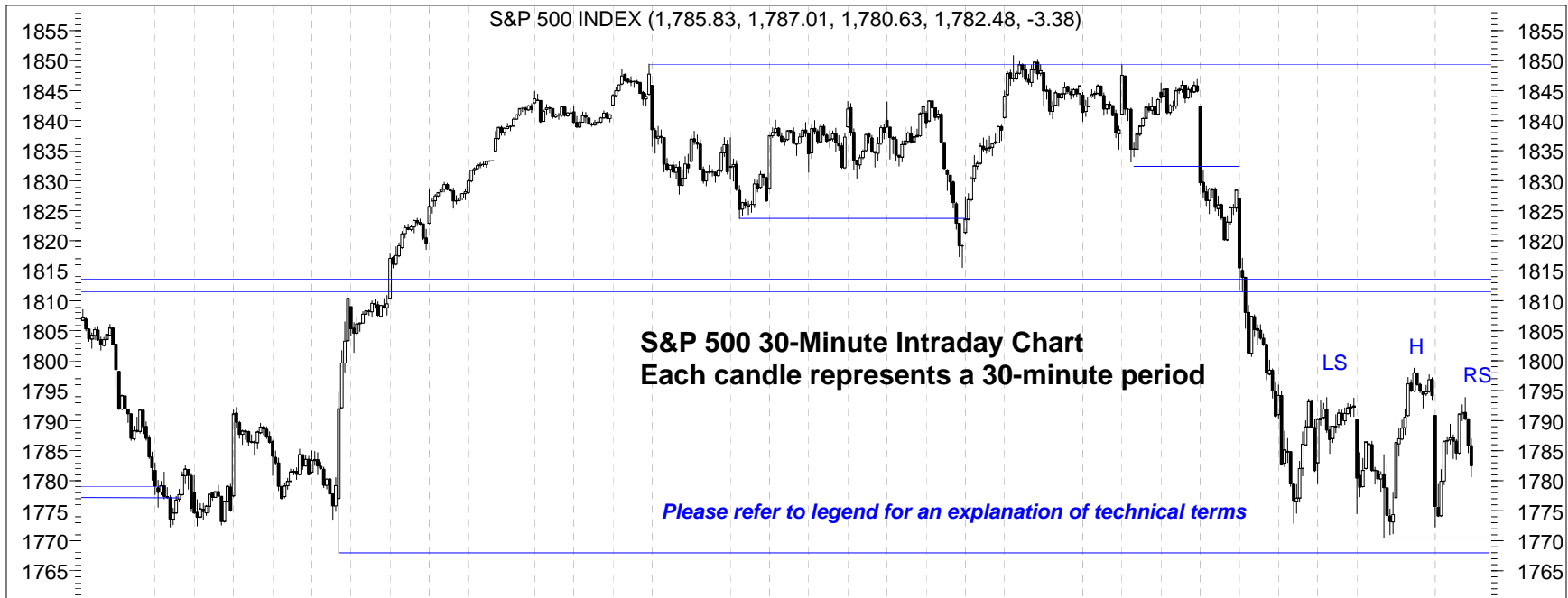
**So far 250 of the S&P 500 have reported fourth quarter earnings.** 71.6% have beaten estimates, 11.6% were in line, and 16.8% missed. Last quarter after 243 reported 69.3% beat, 13.9% were in line, and 16.8% missed. The final tally for the third quarter was 67.2% beat, 12.9% were in line, and 19.9% missed.

**In summary, in the short-term stocks are oversold with lots of pessimism at a time of very positive seasonality. Last week's action increased the probability there has been a change in the tone of the market in the short and intermediate-term. Longer-term we remain bullish due to improving economic data, attractive valuations, strong long-term market breadth, and the globally synchronized program of asset purchases by central banks, even though that will be ending (hopefully soon). We are half-way through earnings season, and hopefully good reports will restore investor confidence. Until further notice we view this as a short-term trader's market.**

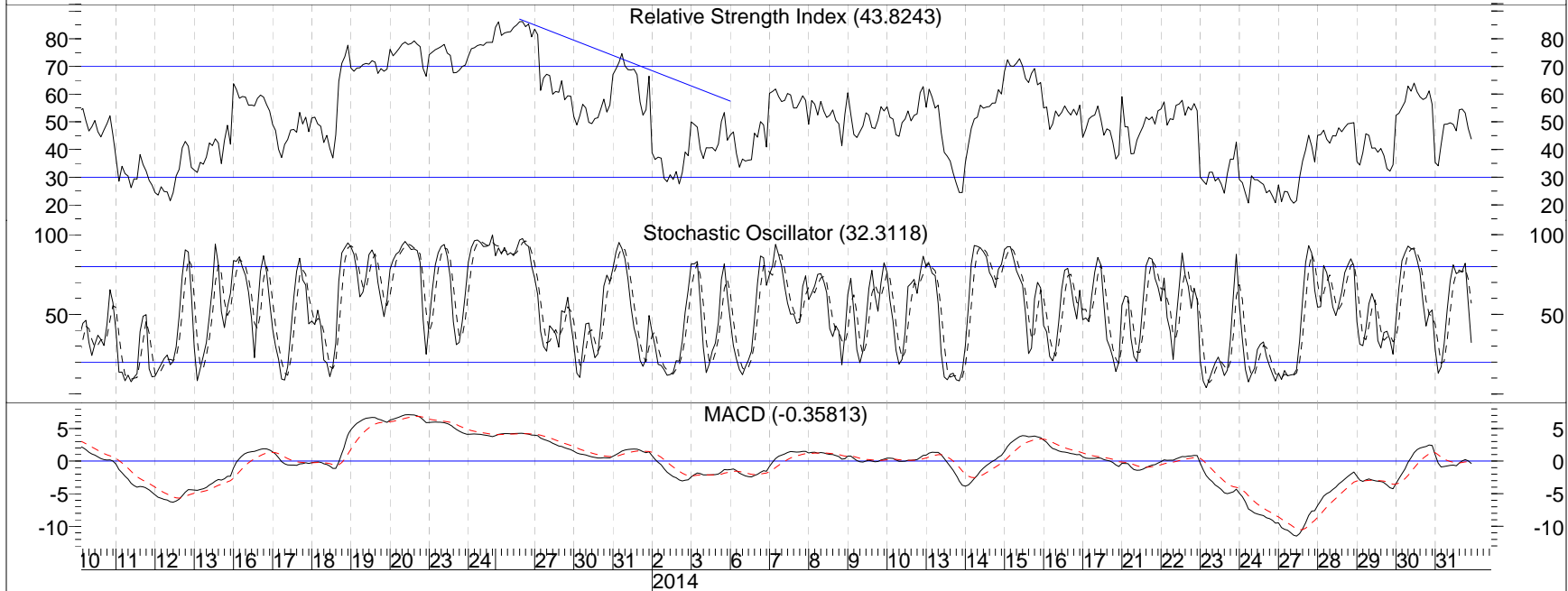
**Based on the S&P 500 the short-term and intermediate-term trends are down, while the long-term trend remains up.**

**Editor's note:** In the Wall Street Journal on Monday January 27<sup>th</sup> there was an article titled "Securities Lawsuits Are Rising." It said that there were 234 federal securities class-action suits against U.S. companies in 2013, the most since 2008. Specifically, 41% of last year's filings were allegations that companies gave misleading earnings forecasts. This was an increase from 29% in 2012. This was a timely article since we are in the heart of earnings season and there have been some notable guidance disappointments. With this amount of litigation investors would be justified in wondering if companies are always lowering the bar as much as possible rather than risk being the target of attorneys. Is company guidance going to become meaningless in the future if corporate executives are afraid to be wrong because they fear a suit will follow? In such an environment no one could blame the CEO of a public company for choosing not to give guidance at all.

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An up and down week last week caused a small head & shoulders pattern to appear on the 30-minute chart of the S&P 500. If the neckline is broken it projects down to the mid to low 1740s.

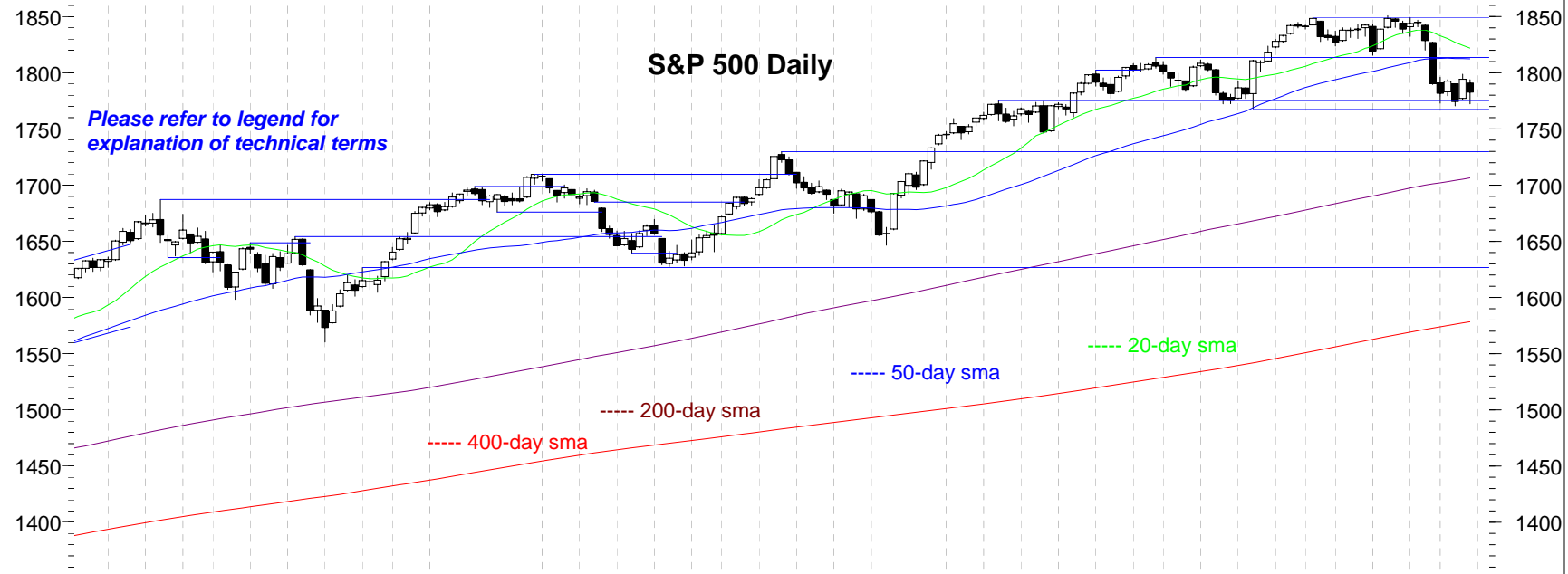


30-minute momentum is negative.

S&P 500 INDEX (1,790.88, 1,793.88, 1,772.26, 1,782.59, -11.60)

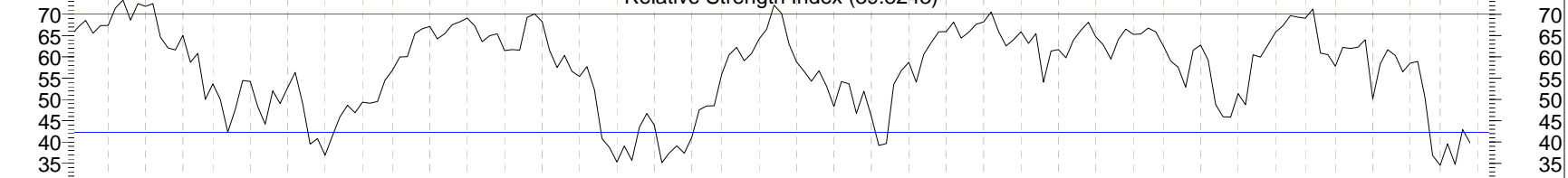
**S&P 500 Daily**

Please refer to legend for explanation of technical terms



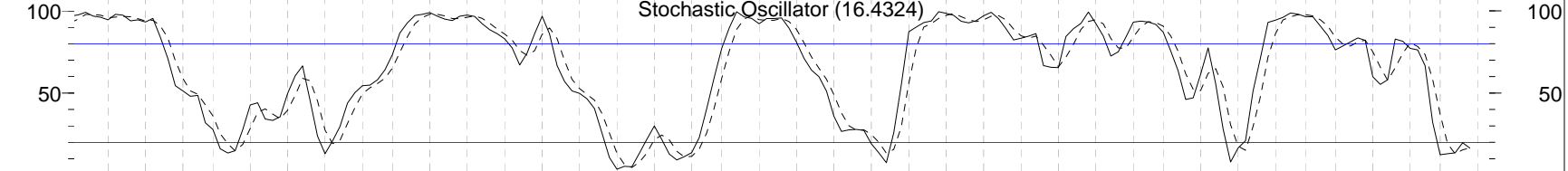
Since the plunge of 1/24 the S&P 500 has been going sideways just above a support zone, alternating up and down days.

Relative Strength Index (39.8243)

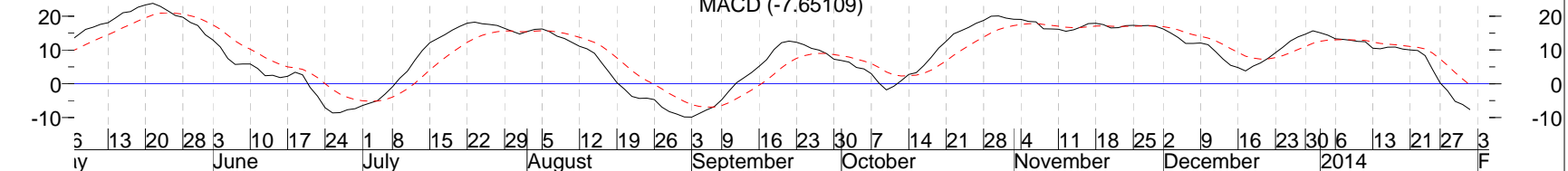


Daily momentum is at low or oversold levels.

Stochastic Oscillator (16.4324)



MACD (-7.65109)



5 13 20 28 3 10 17 24 1 8 15 22 29 5 12 19 26 3 9 16 23 30 7 14 21 28 4 11 18 25 2 9 16 23 30 6 13 21 27 3  
 y June July August September October November December 2014 F

2/1/2014

S&P 500 INDEX (1,791.03, 1,798.77, 1,770.45, 1,782.59, -7.70)

### S&P 500 Weekly

Please refer to legend for explanation of technical terms

LS H RS

----- 20-week sma

----- 40-week sma

----- 80-week sma

Relative Strength Index (55.8688)

Stochastic Oscillator (37.0213)

MACD (39.3240)

J A S O N D 2011 M A M J J A S O N D 2012 M A M J J A S O N D 2013 M A M J J A S O N D 2014

2/1/2014

The S&P 500 found support at its 20-week sma and printed a spinning top candle, a sign of indecision.

Weekly momentum is negative. The RSI is at a level where it found support during 2013.

S&P 500 INDEX (1,845.86, 1,850.84, 1,770.45, 1,782.59, -65.77)

*Please refer to legend for explanation of technical terms*

**S&P 500 Monthly**

---- 12-month sma

----- 3-month sma

Relative Strength Index (69.6779)

Stochastic Oscillator (88.1135)

MACD (121.231)

A reversal month for the S&P 500 in January as it made a new high but closed lower for the month. The 3.56% drop for the month was the most since May 2012. While not a textbook bearish engulfing candle it probably should be viewed as having a similar bearish interpretation.

Monthly momentum is threatening to roll over from high or overbought levels.

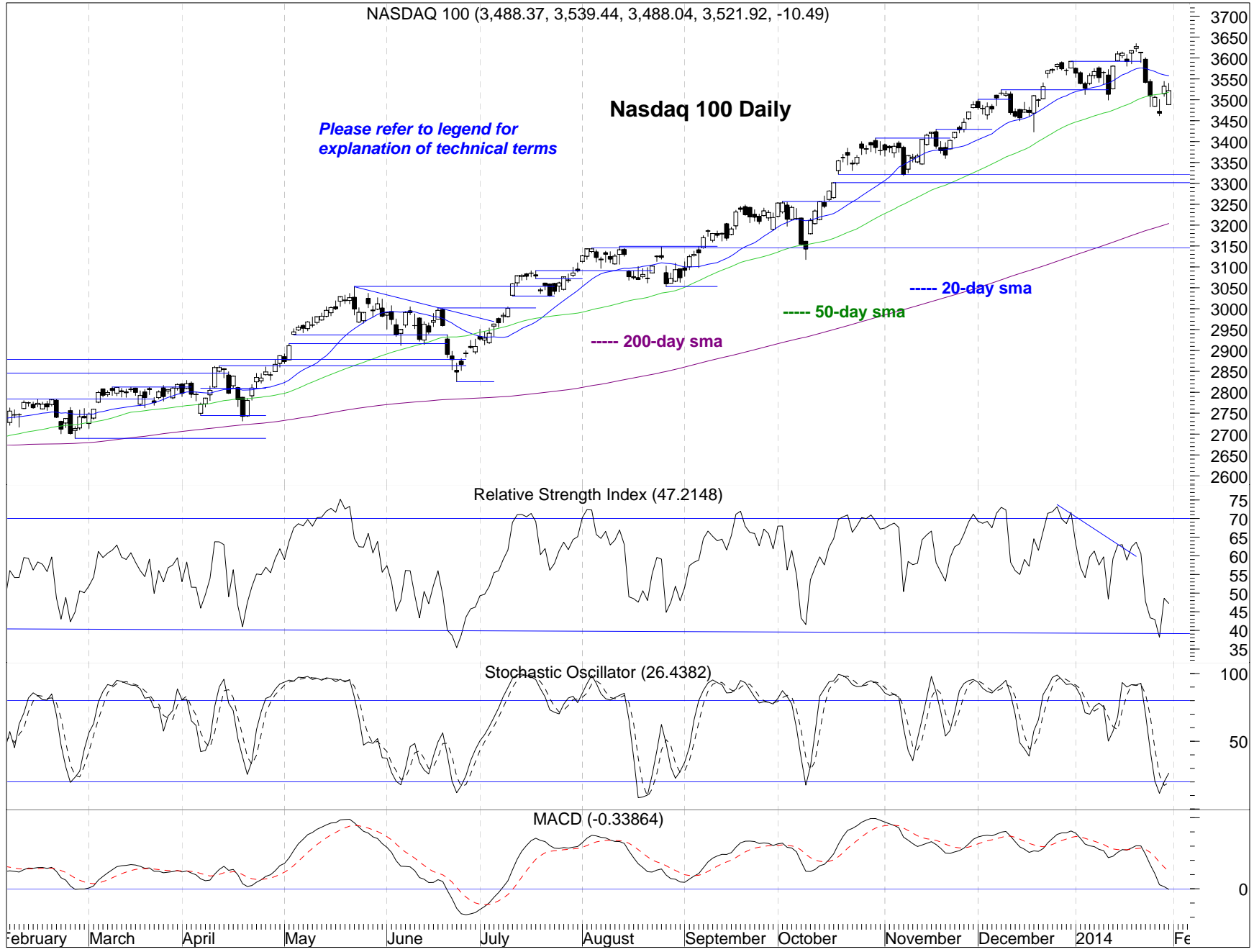
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

2/1/2014

NASDAQ 100 (3,488.37, 3,539.44, 3,488.04, 3,521.92, -10.49)

### Nasdaq 100 Daily

*Please refer to legend for explanation of technical terms*



The Nasdaq 100 closed just above its 50-day sma. It is below its 20-day sma.

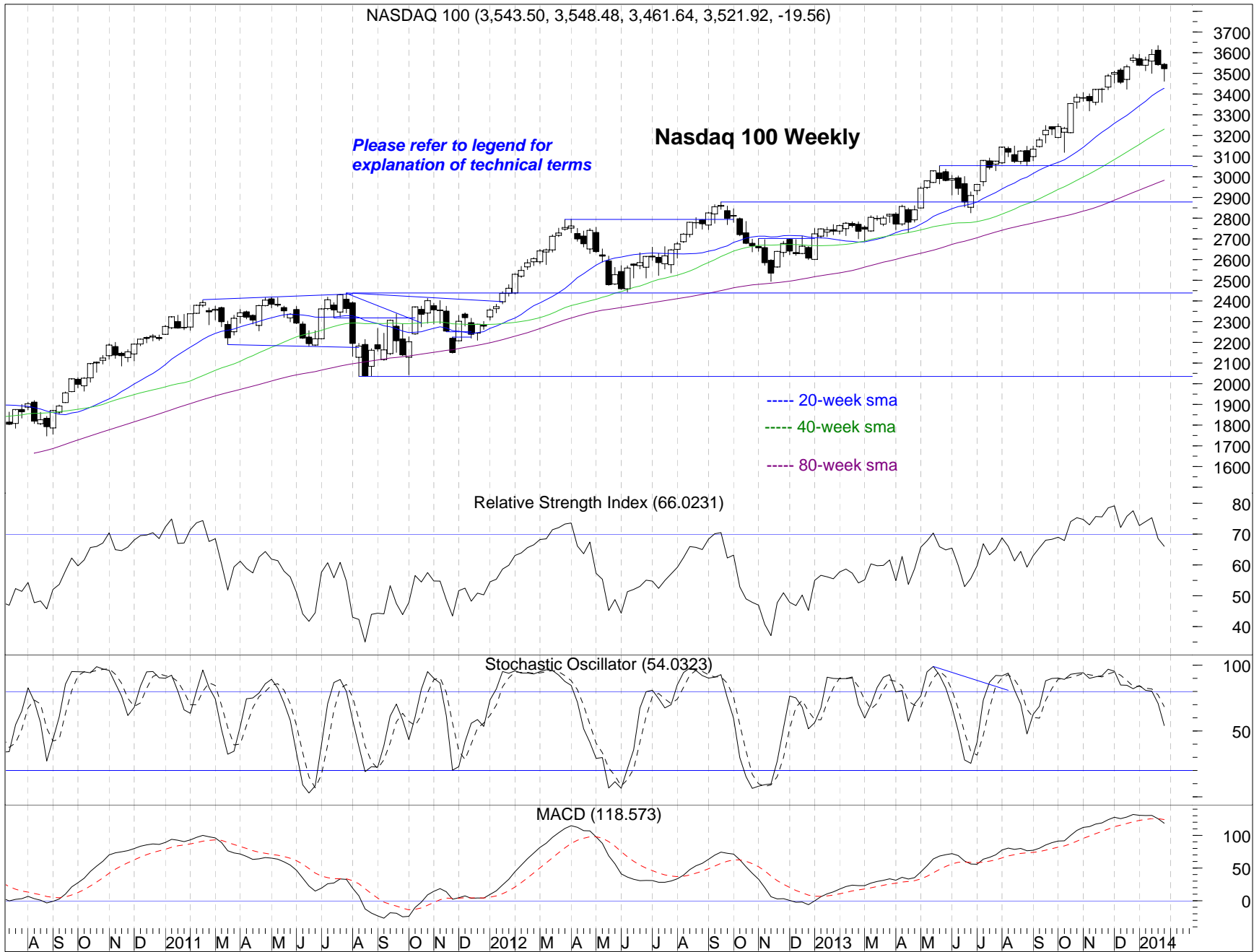
Daily momentum is mixed but the stochastic is turning up from the oversold zone.

2/1/2014

NASDAQ 100 (3,543.50, 3,548.48, 3,461.64, 3,521.92, -19.56)

*Please refer to legend for explanation of technical terms*

### Nasdaq 100 Weekly



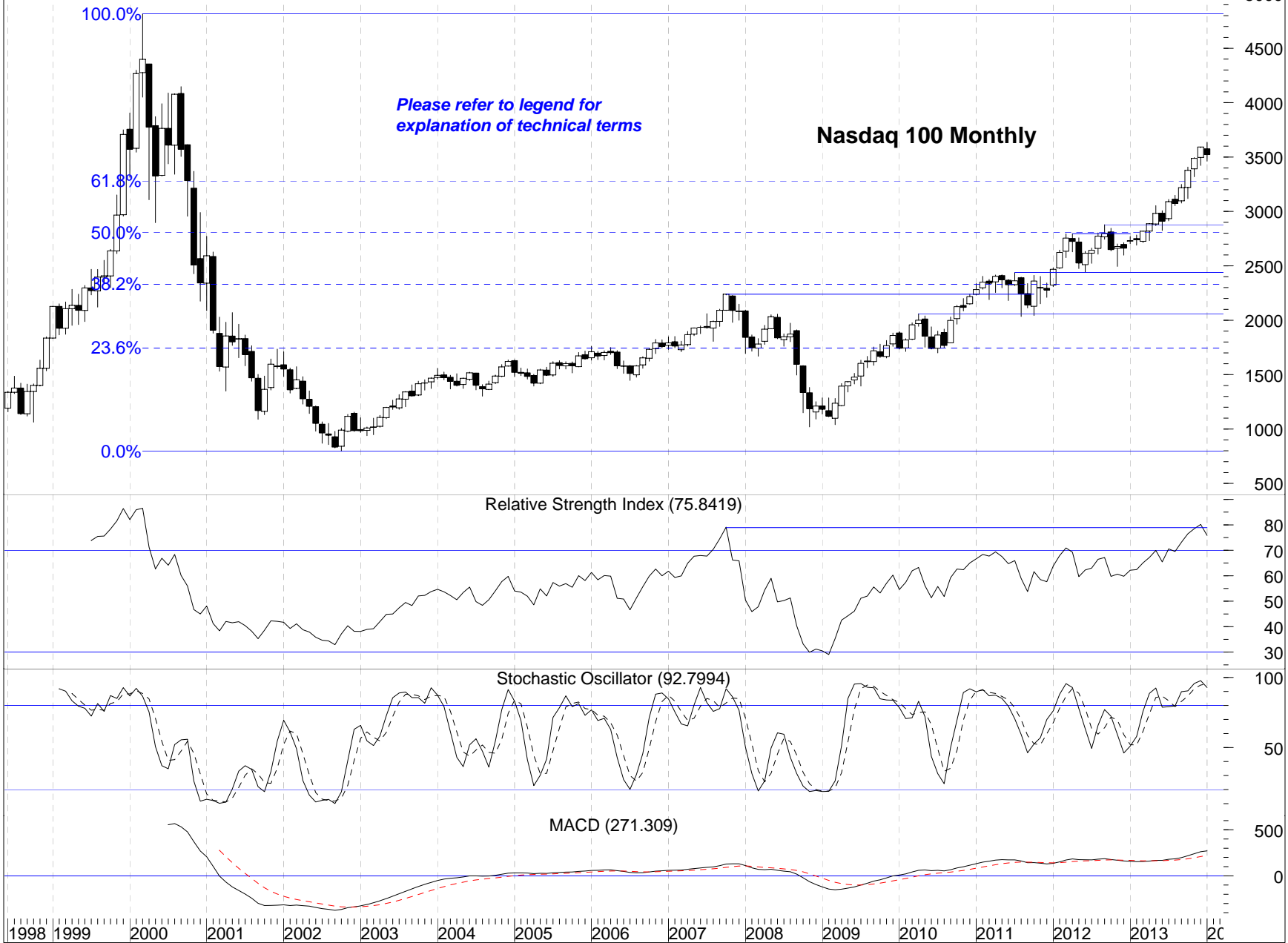
The Nasdaq 100 followed through lower after the bearish engulfing candle of two weeks ago. It printed a hammer candle last week as it bounced from not far above its 20-week sma. A break of the bottom of the hammer would obviously be bearish, especially if it comes with a break of the 20-week sma.

Weekly momentum is negative with plenty of room to move lower. The MACD is just starting to roll over.

2/1/2014



NASDAQ 100 (3,575.60, 3,634.65, 3,461.64, 3,521.92, -70.07)



*Please refer to legend for explanation of technical terms*

### Nasdaq 100 Monthly

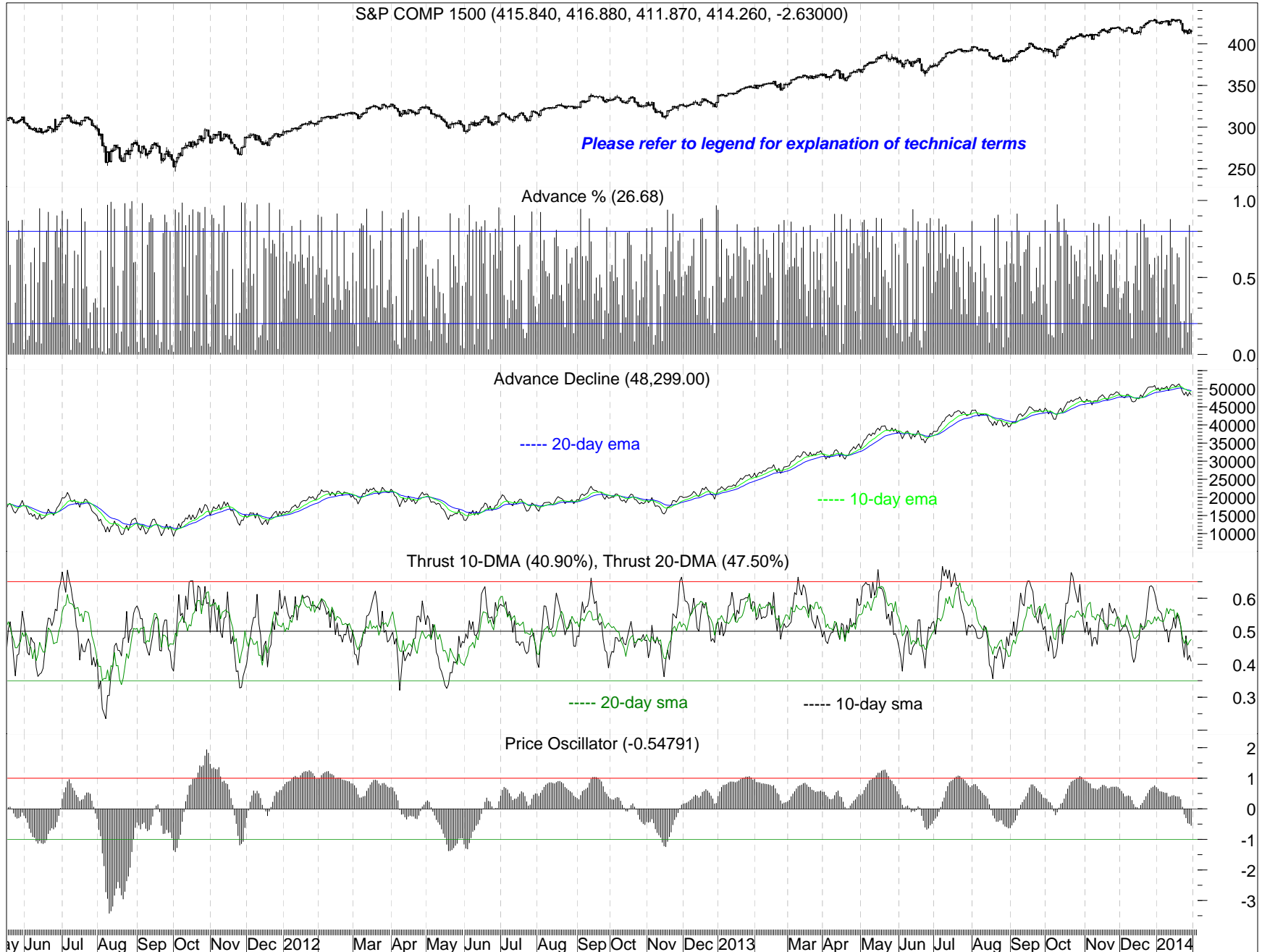
A reversal month for the Nasdaq 100 as it made a new high but reversed to close lower on the month. This broke a string of four up months in a row, and the 1.95% drop was the most since June 2013. A spinning top candle was printed on the monthly chart. These are signs of indecision that frequently are seen at turning points.

Monthly momentum is threatening to turn negative from overbought levels.

2/1/2014

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S&P COMP 1500 (415.840, 416.880, 411.870, 414.260, -2.63000)



Only 26.68% of the S&P 1500 traded higher Friday. The 5-day average is 44.5%. On Wednesday it hit 27.4%, the lowest since 5/18/2012.

The AD line remains under its 10 and 20-day ema.

The 10-day average of advancers is 40.9%, around the level where it has bottomed since late August.

Our price oscillator, a good indicator of trends, is in negative territory but not far from where it bottomed during 2013.

2/1/2014

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S&P COMP 1500 (415.840, 416.880, 411.870, 414.260, -2.63000)

Please refer to legend for explanation of technical terms

% Over 10-Sma (26.40)

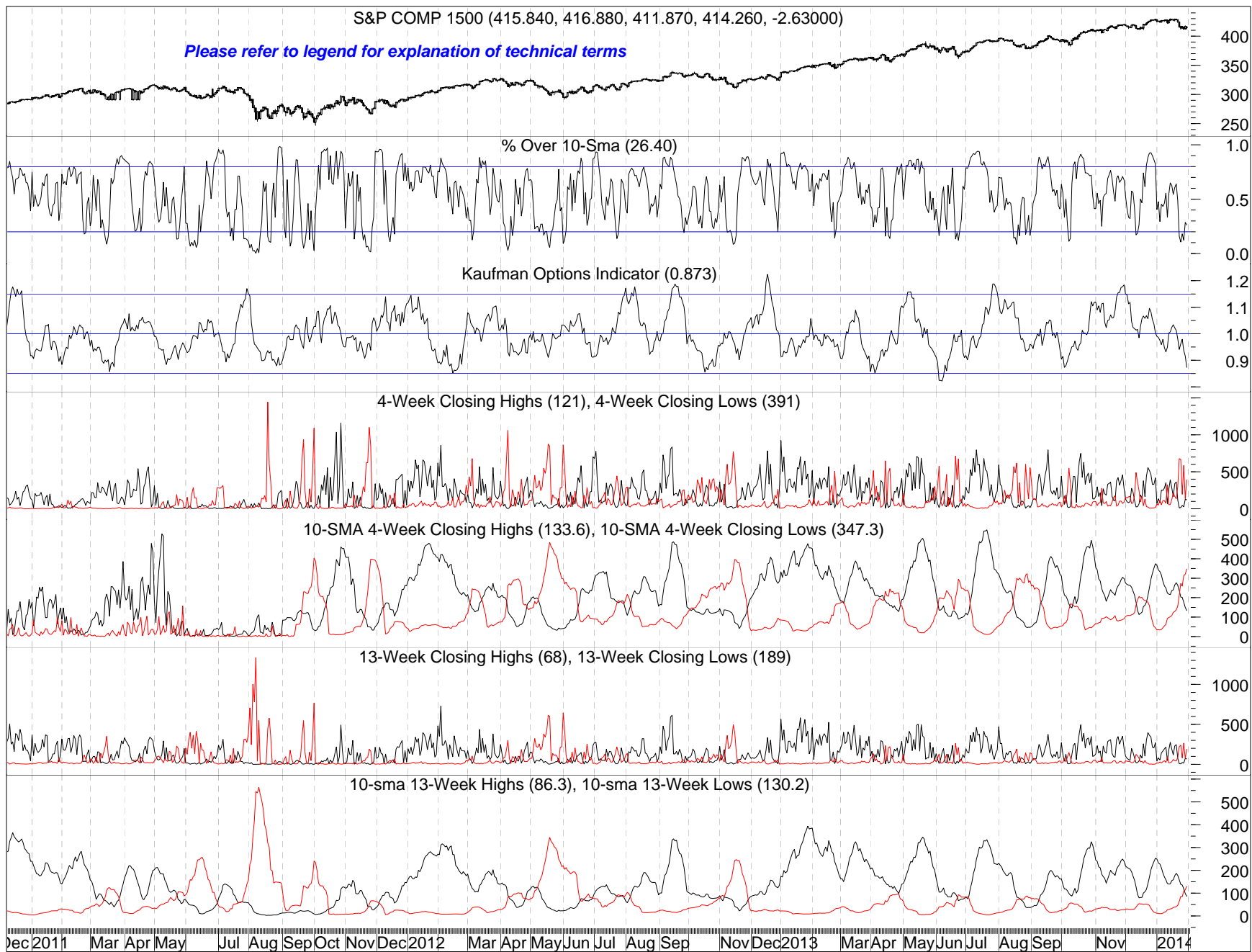
Kaufman Options Indicator (0.873)

4-Week Closing Highs (121), 4-Week Closing Lows (391)

10-SMA 4-Week Closing Highs (133.6), 10-SMA 4-Week Closing Lows (347.3)

13-Week Closing Highs (68), 13-Week Closing Lows (189)

10-sma 13-Week Highs (86.3), 10-sma 13-Week Lows (130.2)



The percentage of stocks in the S&P 1500 above their own 10-day moving average is 26.4%. It hit a very oversold 10.6% Monday, the lowest since 11/15/2012.

Our proprietary options indicator is showing lots of pessimism at 0.873, the lowest since 10/3/2013. At these levels plunges are unlikely, and rallies can occur. Further weakness should create a good entry point soon.

Four-week closing highs are well above their counterpart of 4-week closing lows.

13-week closing lows are starting to exceed 13-week closing highs. The 10-day average is the highest since November 2012.

2/1/2014

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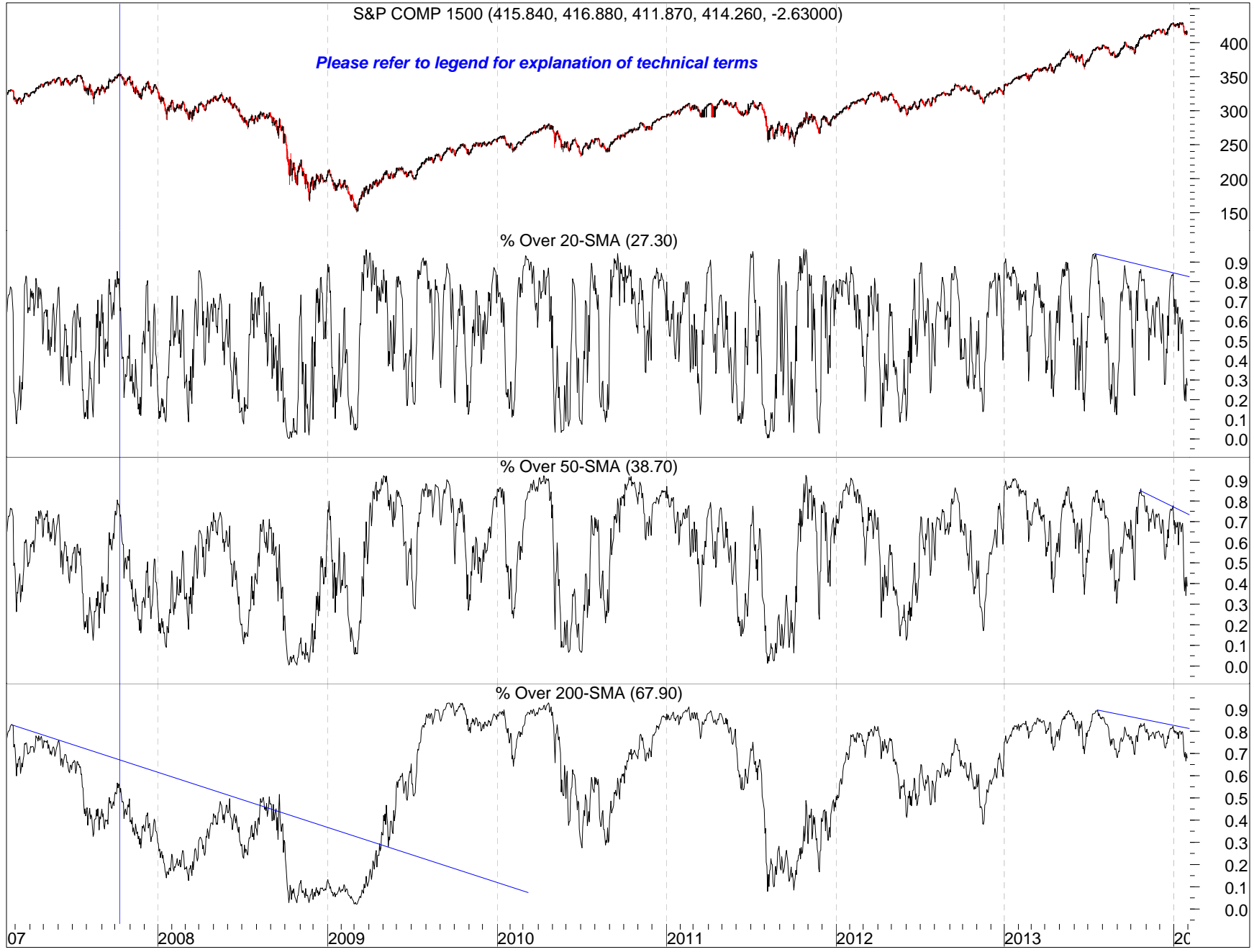
S&P COMP 1500 (415.840, 416.880, 411.870, 414.260, -2.63000)

*Please refer to legend for explanation of technical terms*

% Over 20-SMA (27.30)

% Over 50-SMA (38.70)

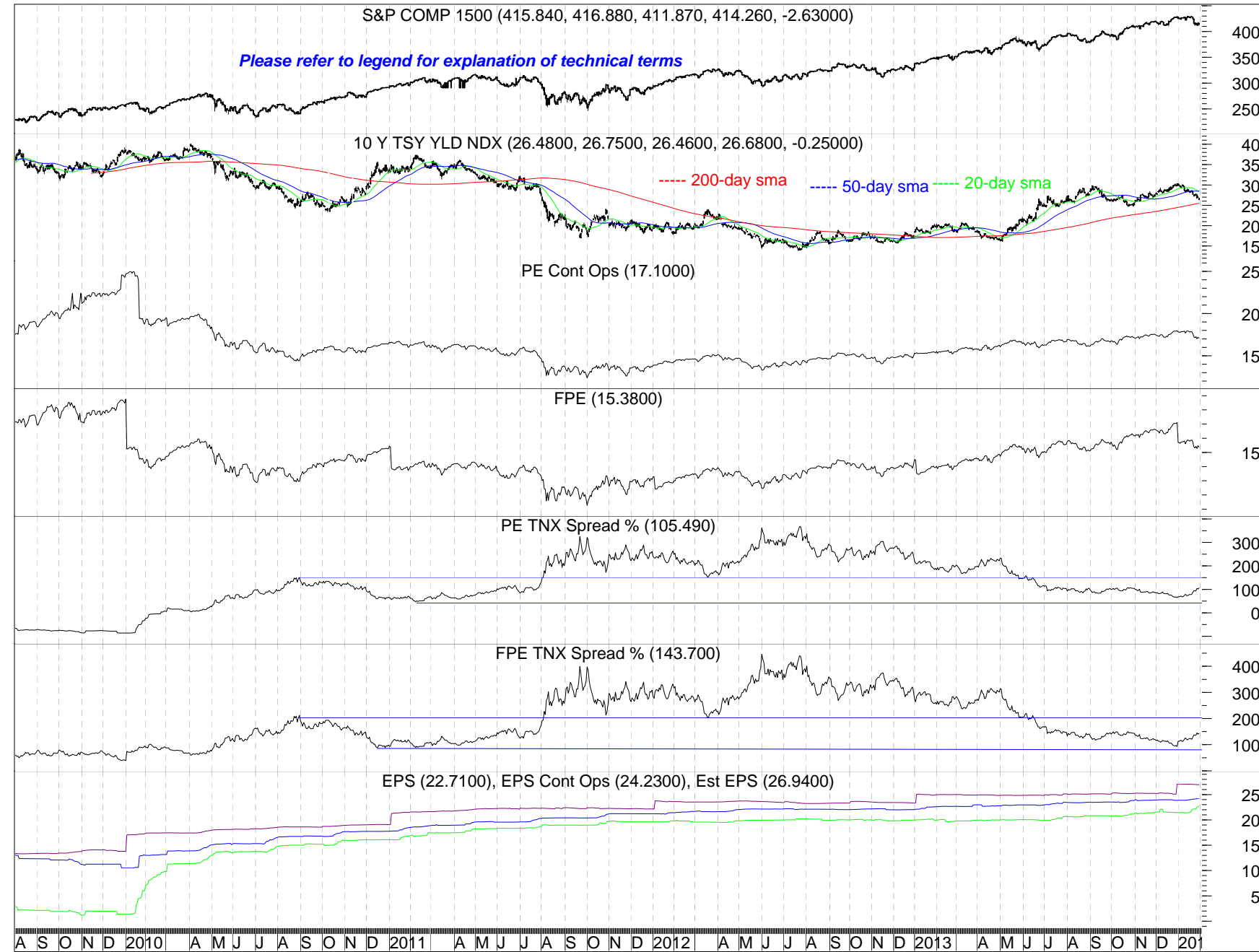
% Over 200-SMA (67.90)



The shorter-term breadth numbers are in the range where they bottomed during 2013. The percentage over 200-sma is the lowest since December 2012, probably indicating a change in the longer-term tone of the market.

2/1/2014

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P/E ratios have been dropping as stocks go lower.

Spreads between equity and bond yields continue to widen as stocks and bond yields drop in tandem. They are still in the range they have been in since June 2013, which is also the range they were in pre-August 2011. At these levels stocks are very attractive versus bonds.

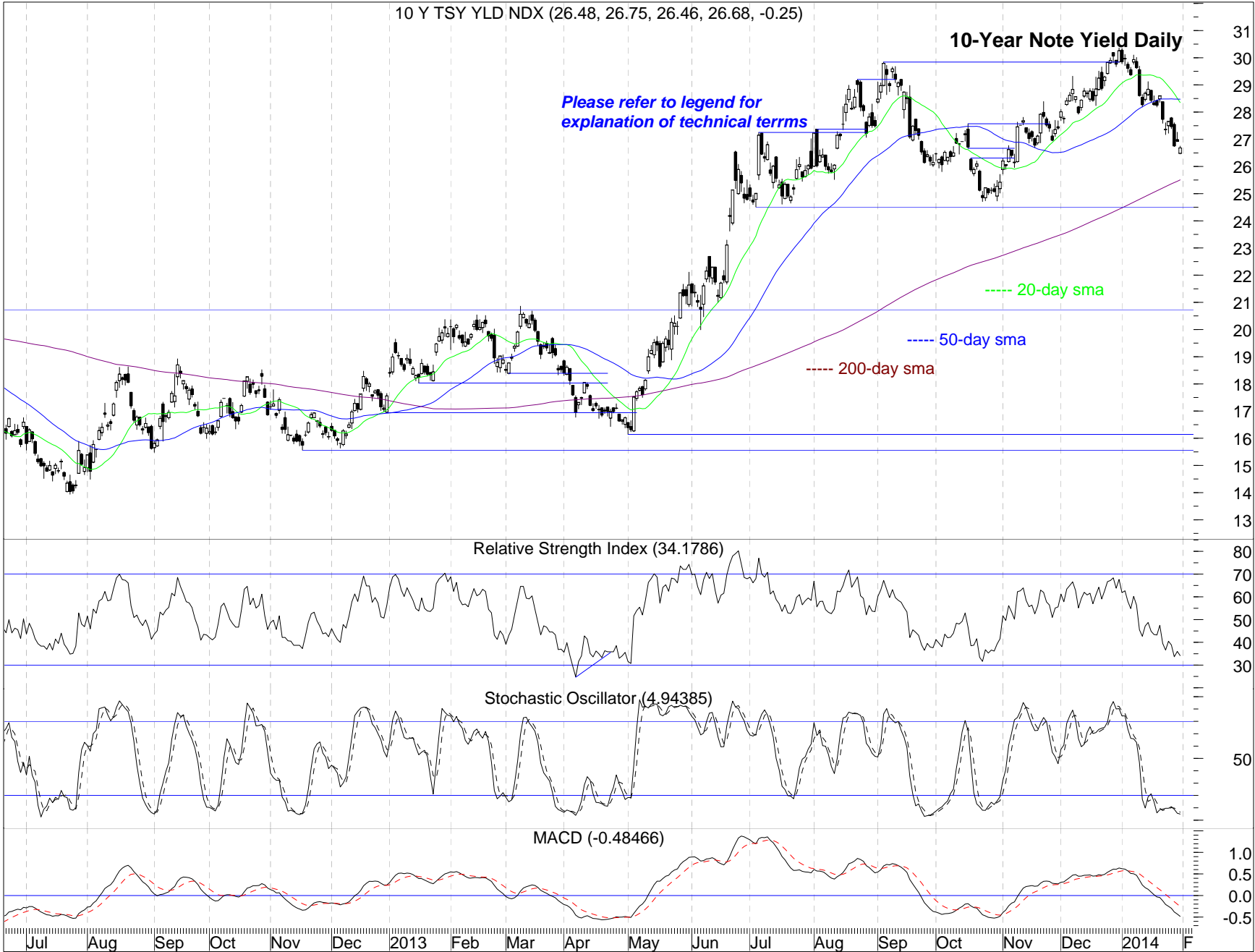
Aggregate EPS are rising as companies report Q4 earnings, but forecasts are relatively flat.

2/1/2014

10 Y TSY YLD NDX (26.48, 26.75, 26.46, 26.68, -0.25)

### 10-Year Note Yield Daily

*Please refer to legend for explanation of technical terms*



The 10-year note yield dropped 11.83% in January, the biggest one-month drop since May 2012.

Daily momentum is at low or oversold levels.

2/1/2014

10 Y TSY YLD NDX (27.50, 27.81, 26.46, 26.68, -0.67)

### 10-Year Note Yield Weekly

Please refer to legend for explanation of technical terms

----- 80-week sma    ----- 40-week sma    ----- 20-week

The 10-year note yield is below its 20-week sma and not far above its 40-week sma.

Relative Strength Index (48.6247)

Stochastic Oscillator (5.18360)

MACD (0.86652)

Weekly momentum is negative with the stochastic entering the oversold zone.

M J J A S O N D 2010 M A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014

2/1/2014

US DOLLAR INDEX (81.0370, 81.3240, 80.9910, 81.3110, +0.22600)

### U.S. Dollar Index Daily

*Please refer to legend for explanation of technical terms*

-----200-day      ---- 50-day sma      - - - - 20-day sma

Relative Strength Index (61.1373)

Stochastic Oscillator (65.9107)

MACD (0.08677)

un Jul Aug Sep Oct Nov Dec 2013 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014 f

2/1/2014

The flight to safety has caused a jump in the U.S. Dollar Index to its highest close since 9/13/13. It is just under price and moving average resistance.

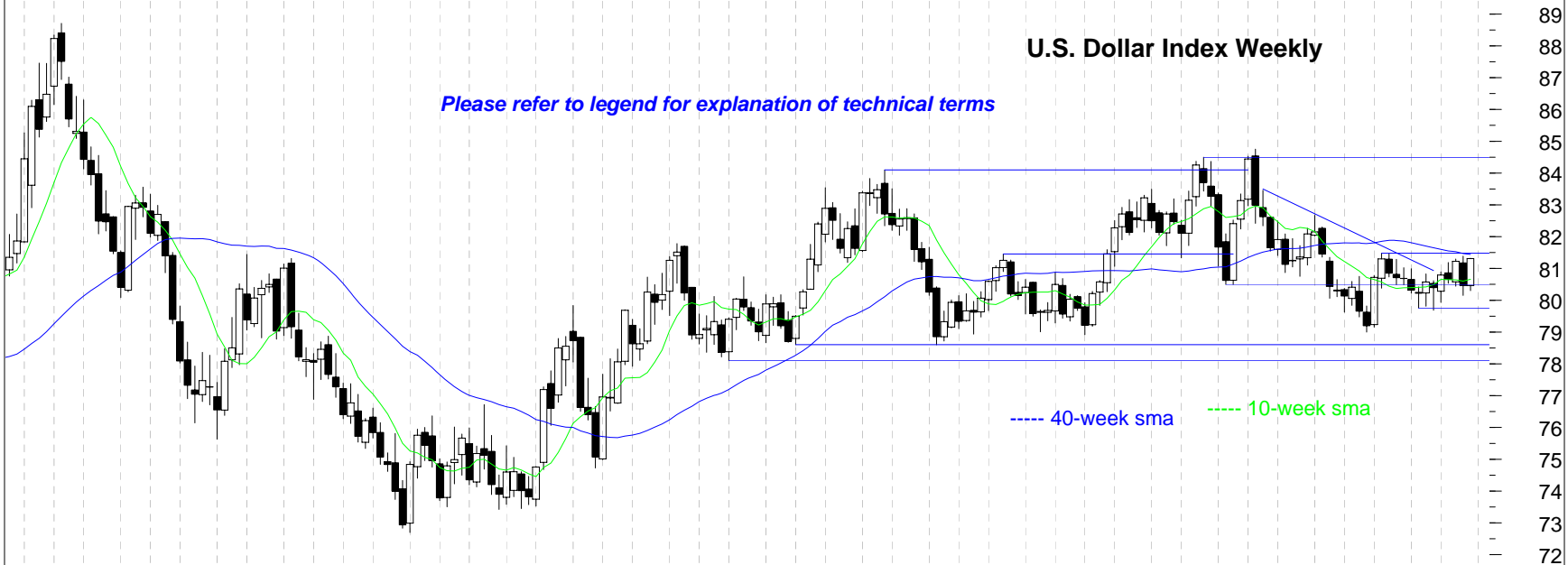
Daily momentum is positive.



US DOLLAR INDEX (80.4610, 81.3240, 80.3010, 81.3110, +0.85300)

### U.S. Dollar Index Weekly

*Please refer to legend for explanation of technical terms*



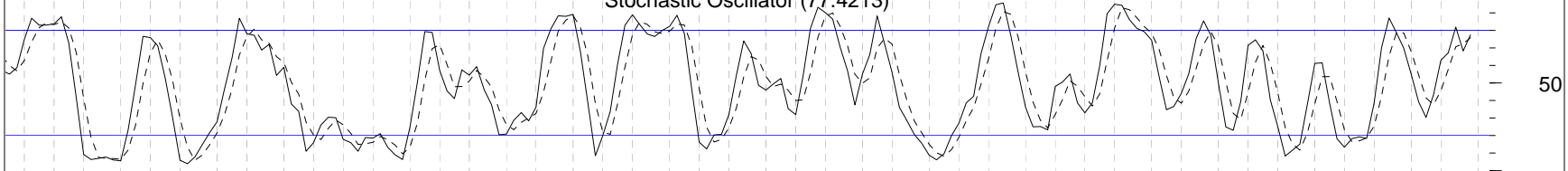
The U.S. Dollar Index is just under price and moving average resistance on its weekly chart after its best week since 11/1/2013.

Relative Strength Index (52.9227)

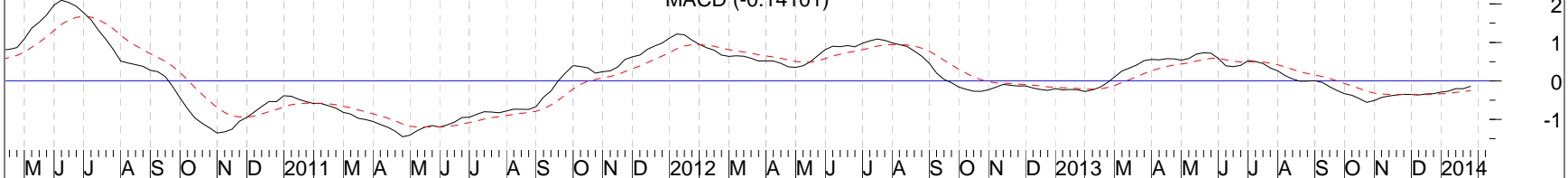


Weekly momentum is positive.

Stochastic Oscillator (77.4213)



MACD (-0.14101)



M J J A S O N D 2011 M A M J J A S O N D 2012 M A M J J A S O N D 2013 M A M J J A S O N D 2014

2/1/2014

US DOLLAR INDEX (81.2520, 81.3240, 80.9910, 81.2520, -0.05900)

Please refer to legend for explanation of technical terms

### U.S. Dollar Index Monthly

--- 3-month sma

--- 12-month sma

Relative Strength Index (52.1794)

Stochastic Oscillator (57.0092)

MACD (0.35842)

The U.S. Dollar Index remains in a tight sideways range on its monthly chart.

Monthly momentum is slightly positive.

1998 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

2/1/2014

SPDR GOLD TRUST (120.6500, 120.8600, 119.4600, 120.0900, +0.3200)

### Gold ETF Daily

For more information about GLD or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

Please refer to legend for explanation of technical terms

----- 200-day sma    ----- 50-day sma    ----- 20-day sma

The gold ETF pulled back after running into resistance. It sits at the intersection of the 20 and 50-day sma. The 20-day is above the 50-day for the first time since September.

Relative Strength Index (50.3126)

Daily momentum is negative.

Stochastic Oscillator (54.0424)

MACD (0.46709)

February    March    April    May    June    July    August    September    October    November    December    2014    F

2/1/2014

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SPDR GOLD TRUST (121.6500, 122.5100, 119.4600, 120.0900, -2.2000)

GLD Weekly

For more information about GLD or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

----- 40-week sma

----- 10-week sma

Please refer to legend for explanation of technical terms

The gold ETF is just under price resistance and its 20-week sma (not shown).

Relative Strength Index (41.8095)

Stochastic Oscillator (87.8360)

MACD (-3.24988)

M J J A S O N D 2010 M A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014

2/1/2014

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SPDR GOLD TRUST (117.9300, 122.5100, 117.1100, 120.0900, +3.9700)

For more information about GLD or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

Please refer to legend for explanation of technical terms

GLD Monthly

----- 3-month sma

----- 12-month sma

The gold ETF closed above its 3-month sma for the first time since August 2013.

Relative Strength Index (38.5059)

Stochastic Oscillator (7.95006)

MACD (-7.18813)

Monthly momentum is mostly negative.

2004 2006 2007 2008 2009 2010 2011 2012 2013 2014

2/1/2014

BAR IPA UBS COPR (38.9600, 39.1400, 38.8500, 38.8600, -0.4100)

For more information about JJC or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

### Copper ETN Daily

- 20-day sma
- 50-day sma
- 200-day sma

Please refer to legend for explanation of technical terms

Relative Strength Index (27.4531)

Stochastic Oscillator (2.93440)

MACD (-0.29728)

The copper ETN, representing the metal with a Ph.D. in economics, has been dive-bombing due to fears of a slowdown in China.

Daily momentum is negative but getting oversold.

February March April May June July August September October November December 2014 F

2/1/2014

BAR IPA UBS COPR (39.78, 39.87, 38.85, 38.86, -0.94)

For more information about JJC or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

### Copper ETN Weekly

Please refer to legend for explanation of technical terms

--- 40-Week sma

--- 10-Week sma

The copper ETN remains in a downtrend as it fell back under its 10 and 40-week sma.

Relative Strength Index (40.7352)

Weekly momentum is almost all negative.

Stochastic Oscillator (12.4243)

MACD (-0.13261)

A S O N D 2010 M A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014

2/1/2014

UNTD ST OIL FUND (34.8000, 35.1200, 34.7500, 34.8000, -0.1500)

For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

### U.S. Oil ETF Daily

Please refer to legend for explanation of technical terms

----- 200-day sma    - - - - 50-day sma    - - - - 20-day sma

Relative Strength Index (56.6184)

Stochastic Oscillator (88.8268)

MACD (0.09065)

The oil ETF has rebounded back above its 20 and 50-sma and is just under its 200-sma.

Daily momentum is mostly positive but threatening to roll over.

February    March    April    May    June    July    August    September    October    November    December    2014    F

2/1/2014



UNTD ST OIL FUND (34.5400, 35.1800, 34.0000, 34.8000, +0.2200)

### USO - United States Oil Fund ETF Weekly

For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

----- 40-week sma    ----- 10-week sma

The oil ETF has bounced up near its 40-week sma.

Relative Strength Index (48.6217)

Stochastic Oscillator (50.6546)

MACD (-0.41313)

Weekly momentum is almost all positive.

M J J A S O N D 2010 M A M J J A S O N D 2011 A M J J A S O N D 2012 A M J J A S O N D 2013 A M J J A S O N D 2014

2/1/2014

UNTD ST OIL FUND (34.6900, 35.1800, 32.6800, 34.8000, -0.5200)

For more information about USO or to obtain a prospectus go to the "Investment Specific Disclosure" section on the fourth to last page of The Kaufman Report.

### USO - United States Oil Fund ETF Monthly

Please refer to legend for explanation of technical terms

----- 12-month sma

----- 3-month sma

The oil ETF continues to trade in a tight sideways range on its monthly chart.

Relative Strength Index (48.2313)

Monthly momentum is slightly negative.

Stochastic Oscillator (24.9875)

MACD (-0.50178)

2/1/2014

## INVESTMENT SPECIFIC DISCLOSURES

*You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included or incorporated by reference in the appropriate prospectus, including the financial statements and the related notes. To view prospectuses, please go to;*

[http://rockwellsecurities.com/Kaufman\\_Report\\_Prospectuses.php](http://rockwellsecurities.com/Kaufman_Report_Prospectuses.php)

- 1) **GLD (GOLD)** - The value of the Shares relates directly to the value of the gold held by the Trust and fluctuations in the price of gold could materially adversely affect an investment in the Shares. The Shares are designed to mirror as closely as possible the performance of the price of gold, and the value of the Shares relates directly to the value of the gold held by the Trust, less the Trust's liabilities (including estimated accrued expenses). The price of gold has fluctuated widely over the past several years. Several factors may affect the price of gold, including:
  - Global gold supply and demand, which is influenced by such factors as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and production and cost levels in major gold-producing countries such as South Africa, the United States and Australia;
  - Global or regional political, economic or financial events and situations;
  - Investors' expectations with respect to the rate of inflation;
  - Currency exchange rates;
  - Interest rates; and
  - Investment and trading activities of hedge funds and commodity funds.
- 2) **JJC (BARCLAYS IPATH COPPER ETN)** – You may lose some or your entire principal if you invest in the ETN. Any payment on the ETN at or prior to maturity is subject to the creditworthiness of Barclays Bank PLC and is not guaranteed by any third party.
  - The ETNs are unsecured promises of Barclays Bank and are not secured debt.
  - Even if the value of the underlying index at maturity or upon redemption exceeds its initial level, you may receive less than the principal amount of your ETNs.
  - The market value of the ETN may be influenced by many unpredictable factors
  - Commodity prices may change unpredictably, affecting the value of the indices and the value of the ETN in unforeseeable ways.
- 3) **USO (UNITED STATES OIL FUND ETF)** - USOF is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act. Some of the risks of investing in USOF include:
  - Investing in crude oil interests subjects USO to the risks of the crude oil industry which could result in large fluctuations in the price of USOF's units.
  - If certain correlations do not exist, then investors may not be able to use USO as a cost-effective way to invest indirectly in crude oil or as a hedge against the risk of loss in oil-related transactions.
  - USOF does not expect to make cash distributions.
  - USOF and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.
- 4) **RISKS ASSOCIATED WITH INTERNATIONAL / FOREIGN ETFs**
  - **TAXES** - Every country has different tax laws, so there may be particular foreign ETFs that are not a good fit for your ETF trading strategy as they may have a negative effect on your tax return.
  - **CURRENCY RATES** – Currency rates for different regions covered by a foreign ETF may be volatile /skewed, certain foreign ETFs may not be a good fit for a portfolio.
  - **LOW TRADING VOLUMES** – Low trading volumes (lack of liquidity) may cause wide “bid-ask spreads” and may diminish the advantage of purchasing an ETF over an Index or security.
  - **LONG INVESTMENT HORIZON** – The intraday trading aspect (short-term) of ETFs may not be suited for longer term investors.
  - **INACTIVITY**- Some foreign ETFs may not be as actively traded as others due to a sector related issues or a regional issue.
  - **NON-REGISTERED SECURITIES** - The securities of non U.S. issuers may not be registered with or subject to the reporting requirements of the U.S. Securities and Exchange Commission. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. securities. Foreign companies may be more volatile than the securities of comparable U.S. companies.
- 5) **RISKS ASSOCIATED WITH COMMODITIES**
  - **GEOPOLITICAL RISK** – International disagreements, licensing agreement issues, tax structures, environmental concerns and access to technology can cause risk to your investment.
  - **PRICE RISK** – Price risk may arise out of adverse movements in world prices, exchange rates and basis between local and world prices.
  - **SPECULATIVE RISK** – Short term traders can increase market volatility and may have a detrimental effect to your investment
  - **CORPORATE GOVERNANCE RISK** – Corporate fraud

# Indexes, Sectors, and Industry Groups

Major Index	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Dow Jones Transportation	7289.40	-0.17%	0.42%	0.42%	-1.50%	-1.50%	-1.50%	7591.43	1/23/2014	5757.05	1/31/2013
S&P Midcap 400	1314.73	-0.32%	0.05%	0.05%	-2.07%	-2.07%	-2.07%	1359.99	1/22/2014	1078.65	2/26/2013
S&P 500	1782.56	-0.65%	-0.43%	-0.43%	-3.56%	-3.56%	-3.56%	1850.84	1/15/2014	1485.01	2/26/2013
S&P 1500	414.22	-0.64%	-0.44%	-0.44%	-3.47%	-3.47%	-3.47%	429.73	1/15/2014	344.12	2/26/2013
Nasdaq 100	3521.92	-0.30%	-0.55%	-0.55%	-1.95%	-1.95%	-1.95%	3634.65	1/22/2014	2689.83	2/26/2013
Nasdaq Composite	4103.88	-0.47%	-0.59%	-0.59%	-1.74%	-1.74%	-1.74%	4246.55	1/22/2014	3105.37	2/26/2013
NYSE Composite	9971.25	-0.77%	-0.63%	-0.63%	-4.13%	-4.13%	-4.13%	10406.77	12/31/2013	8700.73	2/26/2013
Russell 2000	1131.62	-0.68%	-1.09%	-1.09%	-2.75%	-2.75%	-2.75%	1182.04	1/22/2014	894.24	2/26/2013
Dow Jones Industrials	15698.52	-0.95%	-1.14%	-1.14%	-5.30%	-5.30%	-5.30%	16588.25	12/31/2013	13784.01	2/25/2013
Bank of New York Mellon ADR	143.47	-1.23%	-1.64%	-1.64%	-5.65%	-5.65%	-5.65%	152.06	12/31/2013	125.76	6/24/2013

S&P Sector	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Utilities	198.76	0.82%	2.86%	2.86%	2.87%	2.87%	2.87%	210.47	4/30/2013	182.19	6/21/2013
Health Care	647.88	-0.81%	0.56%	0.56%	0.87%	0.87%	0.87%	665.74	1/22/2014	493.80	2/26/2013
Materials	278.04	-0.60%	0.47%	0.47%	-4.66%	-4.66%	-4.66%	293.67	1/21/2014	233.52	4/18/2013
Industrials	431.96	-0.50%	0.41%	0.41%	-4.53%	-4.53%	-4.53%	453.03	12/31/2013	346.17	4/19/2013
Telecom Services	149.05	0.13%	0.03%	0.03%	-4.16%	-4.16%	-4.16%	168.85	4/23/2013	144.64	1/29/2014
Financials	283.72	-1.14%	-0.29%	-0.29%	-3.73%	-3.73%	-3.73%	298.69	1/15/2014	231.03	2/26/2013
Information Technology	570.33	0.23%	-0.92%	-0.92%	-2.59%	-2.59%	-2.59%	591.64	1/15/2014	457.00	4/19/2013
Consumer Discretionary	498.47	-1.27%	-0.99%	-0.99%	-5.97%	-5.97%	-5.97%	530.13	12/31/2013	391.33	2/25/2013
Energy	610.42	-1.49%	-1.49%	-1.49%	-6.33%	-6.33%	-6.33%	652.37	12/31/2013	544.61	4/17/2013
Consumer Staples	419.15	-0.44%	-1.66%	-1.66%	-5.30%	-5.30%	-5.30%	446.69	11/15/2013	380.29	2/4/2013

S&P Industry Group	Price	Daily	WTD	5-Days	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Utilities	198.76	0.82%	2.86%	2.86%	2.87%	2.87%	2.87%	210.47	4/30/2013	182.19	6/21/2013
Real Estate	153.22	0.34%	1.92%	1.92%	2.87%	2.87%	2.87%	177.55	5/22/2013	142.12	8/19/2013
Software & Services	827.64	0.65%	1.35%	1.35%	-0.70%	-0.70%	-0.70%	843.93	1/21/2014	658.44	2/26/2013
Media	412.79	-0.58%	1.03%	1.03%	-4.06%	-4.06%	-4.06%	430.39	12/31/2013	304.36	2/7/2013
Transports	467.96	-0.50%	0.61%	0.61%	-2.43%	-2.43%	-2.43%	484.32	1/13/2014	366.61	1/31/2013
Health Care Equip & Services	575.94	-0.64%	0.57%	0.57%	-0.09%	-0.09%	-0.09%	593.17	1/13/2014	452.55	2/26/2013
Pharmaceuticals, Biotech & Life Sci	632.49	-0.89%	0.56%	0.56%	1.32%	1.32%	1.32%	651.23	1/22/2014	470.65	2/7/2013
Materials	278.04	-0.60%	0.47%	0.47%	-4.66%	-4.66%	-4.66%	293.67	1/21/2014	233.52	4/18/2013
Capital Goods	470.13	-0.50%	0.44%	0.44%	-4.98%	-4.98%	-4.98%	495.41	12/31/2013	373.01	4/22/2013
Consumer Durables & Apparel	264.86	-1.27%	0.26%	0.26%	-7.09%	-7.09%	-7.09%	285.53	1/3/2014	217.25	2/26/2013
Food & Staples Retailing	302.24	-0.08%	0.22%	0.22%	-4.88%	-4.88%	-4.88%	321.36	11/29/2013	251.91	2/15/2013
Insurance	266.53	-1.39%	0.05%	0.05%	-7.81%	-7.81%	-7.81%	289.51	12/31/2013	213.38	2/26/2013
Telecom Services	149.05	0.13%	0.03%	0.03%	-4.16%	-4.16%	-4.16%	168.85	4/23/2013	144.64	1/29/2014
Consumer Services	656.21	0.86%	-0.10%	-0.10%	-4.27%	-4.27%	-4.27%	686.43	12/31/2013	558.73	2/21/2013
Semiconductors & Equipment	409.20	-0.63%	-0.50%	-0.50%	-3.16%	-3.16%	-3.16%	431.51	1/15/2014	325.33	2/21/2013
Commercial & Professional Service	182.96	-0.52%	-0.55%	-0.55%	-5.16%	-5.16%	-5.16%	193.69	12/27/2013	157.58	2/25/2013
Diversified Financials	426.87	-1.27%	-0.64%	-0.64%	-4.82%	-4.82%	-4.82%	456.54	1/6/2014	336.67	2/26/2013
Banks	208.10	-1.54%	-1.07%	-1.07%	-0.52%	-0.52%	-0.52%	217.61	1/22/2014	162.00	2/26/2013
Energy	610.42	-1.49%	-1.49%	-1.49%	-6.33%	-6.33%	-6.33%	652.37	12/31/2013	544.61	4/17/2013
Household & Personal Products	483.99	-0.15%	-2.19%	-2.19%	-5.02%	-5.02%	-5.02%	530.20	11/26/2013	452.51	1/31/2013
Food, Beverage & Tobacco	479.11	-0.71%	-2.27%	-2.27%	-5.61%	-5.61%	-5.61%	509.74	11/15/2013	442.74	2/4/2013
Retailing	867.63	-2.61%	-2.80%	-2.80%	-7.68%	-7.68%	-7.68%	944.66	12/27/2013	682.37	2/25/2013
Automobiles & Components	129.73	-1.63%	-3.12%	-3.12%	-6.65%	-6.65%	-6.65%	143.67	12/17/2013	96.18	2/26/2013
Technology Hardware & Equipmen	553.21	-0.20%	-4.68%	-4.68%	-5.46%	-5.46%	-5.46%	594.93	1/22/2014	439.29	4/19/2013

**DATA QUOTED REPRESENTS PAST PERFORMANCE.  
PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

## INTERNATIONAL ETFs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Vietnam VNM	21.07	-1.13%	3.54%	12.13%	12.13%	12.13%	23.59	2/11/2013	17.00	8/28/2013
South Korea EWY	59.04	0.19%	2.43%	-8.71%	-8.71%	-8.71%	66.07	10/22/2013	49.56	6/24/2013
Turkey TUR	41.56	-0.12%	1.49%	-12.80%	-12.80%	-12.80%	77.40	5/22/2013	40.67	1/29/2014
Indonesia IDX	21.10	-0.28%	1.44%	-0.75%	-0.75%	-0.75%	33.39	5/22/2013	20.06	1/7/2014
Malaysia EWM	14.70	0.14%	1.17%	-7.08%	-7.08%	-7.08%	16.81	5/8/2013	13.74	8/28/2013
China 25 FXI	34.58	-0.23%	1.05%	-9.88%	-9.88%	-9.88%	41.93	2/1/2013	31.35	6/25/2013
Greece GREK	21.86	1.34%	0.60%	-2.97%	-2.97%	-2.97%	24.68	1/13/2014	14.10	6/24/2013
Australia EWA	23.04	-1.07%	0.57%	-5.46%	-5.46%	-5.46%	28.12	4/30/2013	22.00	7/3/2013
Mexico EWW	62.89	-0.35%	0.45%	-7.51%	-7.51%	-7.51%	76.64	4/11/2013	57.57	6/21/2013
Emerging Markets EE	38.19	0.16%	-0.13%	-8.63%	-8.63%	-8.63%	44.64	2/1/2013	36.16	6/24/2013
Singapore EWS	12.22	-0.73%	-0.24%	-7.21%	-7.21%	-7.21%	14.71	5/9/2013	12.12	1/29/2014
Israel EIS	47.58	-1.49%	-0.31%	-1.73%	-1.73%	-1.73%	49.91	1/15/2014	41.19	8/28/2013
Spain EWP	37.88	-1.79%	-0.39%	-1.79%	-1.79%	-1.79%	40.86	1/15/2014	27.50	6/24/2013
United States SPY	178.18	-0.59%	-0.40%	-3.52%	-3.52%	-3.52%	184.94	1/15/2014	148.73	2/26/2013
India IFN	19.15	-0.05%	-0.42%	-4.25%	-4.25%	-4.25%	21.23	2/1/2013	16.16	8/28/2013
Italy EWI	15.54	-1.08%	-0.45%	-0.32%	-0.32%	-0.32%	16.27	1/23/2014	11.54	4/4/2013
South Africa EZA	57.70	1.32%	-0.52%	-10.53%	-10.53%	-10.53%	69.07	10/22/2013	53.37	6/24/2013
Canada EWC	27.93	-0.07%	-0.78%	-4.22%	-4.22%	-4.22%	29.83	11/18/2013	25.61	6/24/2013
Thailand THD	65.32	1.37%	-1.03%	-4.85%	-4.85%	-4.85%	96.11	5/8/2013	61.94	1/3/2014
France EWQ	26.88	-1.65%	-1.12%	-5.52%	-5.52%	-5.52%	28.60	12/31/2013	22.60	4/18/2013
Latin America ILF	32.99	-0.63%	-1.23%	-10.93%	-10.93%	-10.93%	45.94	2/1/2013	32.59	1/31/2014
Belgium EWK	15.78	-1.31%	-1.44%	-3.72%	-3.72%	-3.72%	16.51	1/23/2014	13.37	7/3/2013
Switzerland EWL	32.00	-0.96%	-1.51%	-3.00%	-3.00%	-3.00%	33.27	1/23/2014	28.01	6/24/2013
Hong Kong EWH	19.12	-0.31%	-1.75%	-7.18%	-7.18%	-7.18%	21.00	5/21/2013	17.79	6/24/2013
Brazil EWZ	39.24	-1.01%	-1.83%	-12.18%	-12.18%	-12.18%	57.76	3/7/2013	38.86	1/31/2014
Taiwan EWT	13.57	0.48%	-2.02%	-5.89%	-5.89%	-5.89%	14.77	10/22/2013	12.48	6/24/2013
BRIC EEB	30.94	-0.99%	-2.09%	-10.71%	-10.71%	-10.71%	37.70	10/22/2013	28.86	6/24/2013
Sweden EWD	34.12	-1.07%	-2.15%	-4.77%	-4.77%	-4.77%	36.07	1/22/2014	29.42	6/24/2013
United Kingdom EWU	19.91	-1.14%	-2.21%	-4.65%	-4.65%	-4.65%	21.18	1/22/2014	17.55	6/24/2013
Germany EWG	29.83	-1.84%	-2.26%	-6.08%	-6.08%	-6.08%	31.93	12/31/2013	23.66	4/18/2013
Japan EWJ	11.33	-2.62%	-3.00%	-6.66%	-6.66%	-6.66%	12.43	5/22/2013	9.89	2/5/2013
Netherlands EWN	24.32	-1.70%	-3.18%	-6.21%	-6.21%	-6.21%	26.11	1/14/2014	19.89	3/1/2013
Austria EWO	19.50	-2.40%	-3.66%	-1.56%	-1.56%	-1.56%	21.00	1/15/2014	16.10	7/3/2013
Russia RSX	25.26	-0.63%	-3.66%	-12.50%	-12.50%	-12.50%	31.14	2/1/2013	23.94	6/20/2013
Chile ECH	40.63	-0.51%	-4.31%	-14.48%	-14.48%	-14.48%	67.98	2/13/2013	40.00	1/31/2014

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

**PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

**INTERNATIONAL ETFs Standard Performance**

	-----PRICE-----			-----NAV-----			Expense Ratio%	Premium % to NAV	
	Price	1-Year	5-Year	10-Year	1-Year	5-Year			10-Year
Australia EWA	#N/A Re	12.40			13.52			#VALUE!	#VALUE!
Austria EWO	#N/A Re	24.84			22.15			#VALUE!	#VALUE!
Belgium EWK	#N/A Re	10.77			10.54			#VALUE!	#VALUE!
Brazil EWZ	#N/A Re	-25.02			-23.59			#VALUE!	#VALUE!
BRIC EEB	#N/A Re	-12.84			-12.87			#VALUE!	#VALUE!
Canada EWC	#N/A Re	-15.90			-14.55			#VALUE!	#VALUE!
Chile ECH	#N/A Re	10.68			11.09			#VALUE!	#VALUE!
China 25 FXI	#N/A Re	-8.64			-8.64			#VALUE!	#VALUE!
Emerging Markets EE	#N/A Re	14.95			10.72			#VALUE!	#VALUE!
France EWQ	#N/A Re	-10.58			-10.09			#VALUE!	#VALUE!
Germany EWG	#N/A Re	3.16			4.93			#VALUE!	#VALUE!
Greece GREK	#N/A Re	6.77			8.66			#VALUE!	#VALUE!
Hong Kong EWH	#N/A Re	-7.77			-7.00			#VALUE!	#VALUE!
India IFN	#N/A Re	-0.79			-1.23			#VALUE!	#VALUE!
Indonesia IDX	21.10	-7.39			-6.98			0.58	-1.49
Israel EIS	#N/A Re	-2.71			-1.92			#VALUE!	#VALUE!
Italy EWI	#N/A Re	-38.53			-37.74			#VALUE!	#VALUE!
Japan EWJ	#N/A Re	15.66			14.62			#VALUE!	#VALUE!
Latin America ILF	#N/A Re	4.88			5.33			#VALUE!	#VALUE!
Malaysia EWM	#N/A Re	14.97			17.13			#VALUE!	#VALUE!
Mexico EWW	#N/A Re	13.85			15.14			#VALUE!	#VALUE!
Netherlands EWN	#N/A Re	21.43			21.85			#VALUE!	#VALUE!
Russia RSX	#N/A Re	18.05			19.36			#VALUE!	#VALUE!
Singapore EWS	#N/A Re	13.94			14.89			#VALUE!	#VALUE!
South Africa EZA	#N/A Re	-11.74			-10.63			#VALUE!	#VALUE!
South Korea EWY	#N/A Re	-24.95			-24.28			#VALUE!	#VALUE!
Spain EWP	37.88	-28.62			-27.59			-0.02	-0.02
Sweden EWD	#N/A Re	-23.11			-24.33			#VALUE!	#VALUE!
Switzerland EWL	#N/A Re	1.64			-0.55			#VALUE!	#VALUE!
Taiwan EWT	13.57	14.49			16.41			-0.06	-0.06
Thailand THD	#N/A Re	-13.08			-11.93			#VALUE!	#VALUE!
Turkey TUR	41.56	-14.01			-13.15			-0.13	-0.13
United Kingdom EWU	19.91	-37.38			-36.29			-0.05	-0.05
United States SPY	#N/A Re	0.52			1.36			#VALUE!	#VALUE!
Vietnam VNM	#N/A Re	13.66			13.94			#VALUE!	#VALUE!

**DATA QUOTED REPRESENTS PAST PERFORMANCE AND PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

**BLANK SPACES INDICATE THE SECURITY HAS NOT TRADED FOR THAT FULL TIME PERIOD.**

## Commodities ETFs/ETNs

	Price	Daily	WTD	MTD	QTD	YTD	52H	High Dt	52L	Low Dt
Coffee JO	24.86	4.50%	10.59%	14.56%	14.56%	14.56%	33.57	2/1/2013	20.37	11/6/2013
Cocoa NIB	38.41	-0.85%	3.84%	7.29%	7.29%	7.29%	38.75	1/29/2014	27.47	3/6/2013
Sugar SGG	52.38	4.46%	3.20%	-5.61%	-5.61%	-5.61%	68.59	3/15/2013	49.25	1/29/2014
OIL USO	34.80	-0.43%	0.64%	-1.47%	-1.47%	-1.47%	39.54	9/6/2013	30.79	4/17/2013
Tin JJT	49.70	-0.42%	0.53%	-6.60%	-6.60%	-6.60%	57.82	2/1/2013	41.89	7/2/2013
Corn CORN	30.90	0.23%	0.46%	1.05%	1.05%	1.05%	45.74	2/1/2013	29.50	1/10/2014
Livestock COW	28.39	0.28%	0.35%	4.61%	4.61%	4.61%	28.68	10/30/2013	25.41	4/15/2013
Coal KOL	17.71	0.17%	0.06%	-8.90%	-8.90%	-8.90%	25.45	2/14/2013	17.16	6/24/2013
Grains JJG	42.74	0.52%	-0.07%	-0.90%	-0.90%	-0.90%	55.52	2/1/2013	42.02	1/9/2014
Grains GRU	5.62	0.43%	-0.11%	-2.70%	-2.70%	-2.70%	7.49	2/1/2013	5.41	8/15/2013
Heating Oil UHN	33.09	-0.66%	-0.56%	0.18%	0.18%	0.18%	36.27	2/8/2013	29.66	4/17/2013
Timber CUT	24.85	-0.92%	-0.64%	-4.05%	-4.05%	-4.05%	26.08	1/16/2014	20.70	6/24/2013
Cotton BAL	53.92	0.04%	-1.43%	1.39%	1.39%	1.39%	60.53	3/15/2013	47.97	11/5/2013
Natural Gas UNG	24.18	-0.29%	-1.75%	16.87%	16.87%	16.87%	27.05	1/29/2014	16.60	8/8/2013
Gold GLD	120.09	0.27%	-1.80%	3.42%	3.42%	3.42%	162.96	2/7/2013	114.46	12/31/2013
Copper JJC	38.86	-1.04%	-2.35%	-6.25%	-6.25%	-6.25%	47.80	2/1/2013	36.87	6/24/2013
Aluminum JJU	17.60	-1.46%	-3.56%	-5.58%	-5.58%	-5.58%	24.93	2/15/2013	17.54	1/31/2014
Platinum PPLT	134.27	-0.37%	-3.56%	0.28%	0.28%	0.28%	170.78	2/7/2013	127.34	6/26/2013
Silver SLV	18.45	-0.22%	-3.71%	-1.39%	-1.39%	-1.39%	31.05	2/1/2013	17.75	6/27/2013
Palladium PALL	68.70	-0.43%	-4.09%	-1.32%	-1.32%	-1.32%	77.20	3/8/2013	61.81	6/26/2013

**DATA QUOTED REPRESENTS PAST PERFORMANCE.**

**PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

## Commodity ETFs/ETNs Standard Performance

	Price	-----PRICE % Change-----			-----NAV % Change-----			Expense Ratio%	Premium % to NAV
		1-Year	5-Year	10-Year	1-Year	5-Year	10-Year		
Aluminum JJU	17.60	-26.60	-3.09		-26.96	-2.71		0.75	0.20
Coal KOL	17.71	-27.85	7.02		-27.37	6.88		0.59	-0.37
Cocoa NIB	38.41	28.59	-2.40		30.85	-2.32		0.75	0.29
Coffee JO	24.86	-24.85	-7.89		-28.62	-8.76		0.75	0.55
Copper JJC	38.86	-17.55	13.87		-16.85	13.75		0.75	-0.10
Corn CORN	30.90	-32.09			-32.16			1.49	-0.03
Cotton BAL	53.92	-0.79	12.96		-0.37	13.38		0.75	-0.29
Gold GLD	120.09	-25.50	5.63		-26.24	5.78		0.40	-0.02
Grains GRU	5.62	-24.00	-1.87					0.75	
Grains JGG	42.74	-22.46	1.36		-22.78	1.25		0.75	-0.15
Heating Oil UHN	33.09	-4.94	8.82		-3.48	8.80		0.91	-0.47
Livestock COW	28.39	1.03	-2.11		0.82	-2.29		0.75	0.23
Natural Gas UNG	24.18	28.89	-30.09		31.75	-29.90		0.60	-1.91
OIL USO	34.80	-1.36	3.55		-1.11	3.66		0.45	-0.33
Palladium PALL	68.70	-5.86			-6.25			0.60	-0.83
Platinum PPLT	134.27	-18.57			-18.27			0.60	-0.50
Silver SLV	18.45	-39.39	8.05		-38.41	8.63		0.50	-0.99
Sugar SGG	52.38	-22.64	3.67		-25.33	2.77		0.75	-0.12
Timber CUT	24.85	16.45	21.35		16.85	21.34		0.70	0.35
Tin JJT	49.70	-13.23	13.96		-12.90	15.57		0.75	0.14

**DATA QUOTED REPRESENTS PAST PERFORMANCE AND PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.  
BLANK SPACES INDICATE THE SECURITY HAS NOT TRADED FOR THAT FULL TIME PERIOD.**



## **Kaufman Report Legend**

**4-Week Closing Highs** – The number of stocks in the S&P 1500 index that closed at the highest daily closing price of the last four weeks.

**4-Week Closing Lows** - The number of stocks in the S&P 1500 index that closed at the lowest daily closing price of the last four weeks.

**10-Sma 4-Week Closing Highs** - The 10-day simple moving average of 4-week closing price highs.

**10-Sma 4-Week Closing Lows** - The 10-day simple moving average of 4-week closing price lows.

**10-Sma 13-Week Closing Highs** – The 10-day simple moving average of 13-week closing price highs.

**10-Sma 13-Week Closing Lows** – The 10-day simple moving average of 13-week closing price lows.

**13-Week Closing Highs** - The number of stocks in the S&P 1500 index that closed at the highest daily closing price of the last thirteen weeks.

**13-Week Closing Lows** - The number of stocks in the S&P 1500 index that closed at the lowest daily closing price of the last thirteen weeks.

**Advance Percentage** - The percentage of stocks in the S&P 1500 that closed higher on the day.

**Advance Decline Line** – The cumulative total of daily net advances minus declines.

**Bearish Engulfing Candle** - a two candle pattern that occurs after an uptrend. The second candle is down and the close is lower than the open such that the real body of the second candle completely engulfs the real body of the first candle. Considered bearish because it shows a potential reversal of trend and they are frequently seen at tops.

**Bullish Engulfing Candle** - a two candle pattern that occurs after a downtrend. The second candle is up and the close is higher than the open such that the real body of the second candle completely engulfs the real body of the first candle. Considered bullish because it shows a potential reversal of trend and they are frequently seen at bottoms.

**Candle** – the name given to the pattern created during a single time increment in Japanese candlestick charting. Candles can apply to any time frame such as minutes, hours, days, weeks, months, etc. Candles are made up of an opening price, a closing price, a high and a low. The candle also has a real body, which is the fat area between the open and the close, and shadows or wicks, which are the thin lines above or below the real body that show the high or low for the candle. When price closes higher than the open the candle is white, or not filled in. When price closes below the open, the candle is dark, or filled in.

**Channel lines** - parallel trend lines that form the borders of a trading range. Channels can be ascending, descending, or sideways. The top trend line is considered to be price resistance, while the bottom trend line is considered to be support.

**Close** - the last price of trading during the session. On a daily chart where each candle represents one day the close is the last price of the day. On a weekly chart it is the last price of the week, etc.

**Confirmation** – when an indicator gives the same or similar interpretation to price or to another indicator. For example, in Dow Theory if the Industrials make a new high but the Transports do not that is considered non-confirmation.

**Doji** - a candle where the opening price and the closing price are the same or very nearly the same. Doji are considered to show indecision on the part of investors and are frequently seen at turning points.

**Dow Theory** - a theory about stock movement based on the writings of the first editor of the Wall Street Journal, Charles Dow. Perhaps the most widely used aspect of Dow Theory is the belief that the Industrial and Transportation Averages had to confirm each other. If one made a new high the other needed to confirm it by also making a new high. If not, there is what technicians call “non-confirmation.” This is a simple and appealing theory because if companies manufacture products they also need to ship them. Dow Theory is considered to be an intermediate-term system, not a short-term trading system.

**Earnings yield** - the theoretical yield of a stock based on the inverse of its P/E ratio. For example, a \$20 stock that earns \$1 per share has a P/E ratio of 20. If you take the \$1 and divide it by 20 that equals 5%, which is the earnings yield. A \$20 stock earning \$2 would have a P/E of 10, and an earnings yield of 10%. Also known as equity yield.

**Equity Yield** - same as earnings yield.

**EPS** - Earnings Per Share.

**EPS Cont Ops** – Earnings per share from continuing operations

**Est EPS** – Estimated earnings per share

**EMA - Exponential Moving Average** – A moving average that gives more weight to recent prices in an attempt to reduce the lag inherent in simple moving averages.

**Fibonacci** - a numerical sequence named after Leonardo Fibonacci. The sequence begins with “0” and “1”, then takes a number and adds it to the number just before it in the sequence to arrive at the number that will come after. The sequence goes 0,1,1,2,3,5,8,13,21,34,55,89,144,233,377, etc. The ratios created by dividing one of the numbers with its preceding or following number are used for measuring retracements or for making projections. Interestingly, the ratios created beginning with the number eight are all about 0.618 or 1.618. This is what is known as the “golden ratio.”

**Gap** – a price zone on a chart where no trades were executed, resulting in an open space, or “gap” from one price to the next.

**H** – an abbreviation for “Head” on a head & shoulders pattern.

**Hammer** - the name given to a single candle that looks like a hammer and has significance due to it appearing at the end of a downtrend. An easy mnemonic is to think the market is “hammering out a bottom.” The exact same candle appearing during an uptrend is NOT called a hammer. In that case it would either be insignificant or it would possibly be a “hanging man” candle.

**Hanging Man** - a potentially bearish candle appearing in an uptrend. It has the shape of a hammer but is not a hammer because a hammer is a bottoming candle and needs to come during a downtrend. The hanging man requires confirmation from the next candle to confirm the bearish interpretation.

**Head and Shoulders** – possibly the most famous pattern in technical analysis. It is a bearish topping pattern comprised of at least one left shoulder, which is a short-term peak in price, the head, which is also a peak but

which is higher than the left shoulder, and the right shoulder, which is a third short-term peak in price and which is also lower than the head. A trend line called the “neckline” can be drawn across the areas where support was found during the formation of the peaks. A break of the neckline of a regular head and shoulders pattern has bearish implications. There is also an inverted, or inverse head and shoulders pattern, which is a bullish bottoming pattern. In this case the left shoulder is support during a move lower, the head is support that is even lower than the left shoulder, and the right shoulder is support that is higher than the head. The neckline in this case is drawn across the resistance levels that were created during the formation of the support levels. A break of the neckline has bullish implications.

**High** – the highest price where trading took place during the session.

**High Wave Candle** - a candle with very long upper and lower shadows.

**Horizontal lines** - lines drawn on charts to show support or resistance levels. On momentum indicators they are used to define overbought or oversold zones.

**Island Reversal** – a chart pattern where there is a gap up or down, a period of trading, then another gap in the opposite direction of the first gap. The two gaps create the boundaries of the “island.” The island can be one or more candles. Island reversals come after an up or downtrend and are considered to be reversal signals.

**Kaufman Options Indicator** – a proprietary indicator consisting of multiple moving averages of call and put option buying. It is a sentiment indicator so it has a contrarian interpretation. Extreme optimism is bearish, and extreme pessimism is bullish.

**Low** - the lowest price traded during the defined session.

**LS** – an abbreviation for “left shoulder” on a head & shoulders pattern.

**MACD** - Moving Average Convergence Divergence – A momentum indicator created by Gerald Appel. It is comprised of three moving average signal lines, only two of which are seen. These can be user defined. Unlike the stochastic oscillator and the RSI the MACD does not have boundaries. Its most basic use is as an indicator of trends as opposed to readings of overbought or oversold like the stochastic and RSI.

**Measured Move** - a price move on a chart that has three sections, or “legs”, and in which the first and third legs, which move in the same direction, are of approximately the same size.

**Moving Average** – The average price of something over a given period of time. For example a 10-day simple moving average is the sum of the last ten days closing price divided by ten.

**Neckline** - a line drawn the top or bottom of a head & shoulders pattern connecting support levels. On an inverted head and shoulders pattern the line connects resistance levels. The line can be ascending, descending, or horizontal. Drawing a vertical line from the head to the neckline and adding that same length to the other side of the neckline where a breakout or breakdown occurs creates the technical target price.

**Negative divergence** - when an indicator fails to confirm price or another indicator, that is considered a negative divergence. For example, when an index makes a new high but the number of stocks in the index also making a new high is much fewer than at previous highs for the index, that is a negative divergence.

**OHLC** – Numbers at the top of price charts reflecting the opening price, high price, low price, closing price, and price change, in that order.

**Open** - the first price trading occurred during a session.

**PE Cont Ops** – PE ratio from continuing operations

**PE Ratio** - possibly the most common way of valuing a stock. It is the price per share divided by the earnings per share. For example, a \$20 stock with earnings of \$1 per share would have a P/E ratio of 20.

**FPE** – Forward PE, or the PE derived from earnings projections.

**PE TNX Spread Percentage** – The difference between the equity yield derived from the PE ratio and the 10-year note yield expressed as a percentage.

**FPE TNX Spread Percentage** – The difference between the FPE (forward PE ratio) equity yield derived from the FPE ratio and the 10-year note yield expressed as a percentage.

**Percentage Over 10-Sma** – The percentage of stocks in the S&P 1500 that are currently above their own 10-day simple moving average.

**Percentage Over 20-Sma** – The percentage of stocks in the S&P 1500 that are currently above their own 20-day simple moving average

**Percentage Over 50-Sma** – The percentage of stocks in the S&P 1500 that are currently above their own 50-day simple moving average.

**Percentage Over 200-Sma** – The percentage of stocks in the S&P 1500 that are currently above their own 200-day simple moving average.

**Price Channel** - parallel trend lines that form the borders of a trading range. Channels can be ascending, descending, or sideways. The top trend line is considered to be price resistance, while the bottom trend line is considered to be support.

**Price Oscillator** – The difference between two moving averages.

**Real Body** - the fat part of a candle that is between the opening price and the closing price. It does not include the thin lines above and below the real body, which are known as shadows, or wicks.

**Relative Strength Index** – A momentum oscillator developed by J. Welles Wilder. It compares the strength of losses versus the strength of gains for a period of time defined by the user. The most common is fourteen periods. The RSI can only travel between zero and one-hundred, so there can be times when it flat lines against the boundary. Its most basic use is as an overbought or oversold indicator.

**Resistance** – an area on a chart where demand (buying) weakened, prices had trouble continuing to go higher, and supply (selling) strengthened, sending prices lower. Can be a particular price or a price zone. A stock moving up may have trouble when it reaches an area of resistance. Resistance points and resistance zones can be notated by trend lines. These trend lines can be sloping up, down, or they can be horizontal. Resistance can frequently be seen in the form of moving averages. In this case it may be theoretical if price has not stopped rising at that same level previously.

**RS** – the abbreviation for “right shoulder” on the chart of a head & shoulders pattern.

**Shadow** - shadows are lines that are part of a candle and are on the top or bottom of a real body. The upper shadow top is the high of the session, while the lower shadow bottom is the low of the session. Also called a wick.

**SMA – Simple Moving Average** - The average price of something over a given period of time. For example a 10-day simple moving average is the sum of the last ten days closing price divided by ten. A 50-day simple moving average (sma) is the sum of the last fifty days closing price divided by fifty.

**Spinning Top** – a candle with a small real body. Shows indecision, or the tug-of-war between buyers and sellers.

**Stochastic Oscillator** – Developed by George Lane and based on the observation that in up trends prices tend to close in the upper part of their range while in down trends they close in the lower part of the range. The range can be user defined. The stochastic can only travel between zero and one-hundred, so there can be times when it flat lines against the boundary. Its most basic use is as overbought or oversold indicator.

**Support** - an area on a chart where supply (selling) weakened, prices had trouble continuing to go lower, and demand strengthened, sending prices higher. Can be a particular price or a price zone. A stock moving down may have trouble going lower when it reaches an area of support. Support points and support zones can be notated by trend lines. These trend lines can be sloping up, down, or they can be horizontal. Support can frequently be seen in the form of moving averages. In this case it may be theoretical if price has not stopped dropping at that same level previously.

**Thrust DMA** – The 10-day simple moving average of the daily percentage of advancing stocks on the S&P 1500.

**TNX** – The 10-year note yield.

**Trend Lines** – lines drawn on charts to show support or resistance levels.

**Triangle** - a chart pattern that forms the shape of a triangle. Can be ascending, descending, or symmetrical.

**Vertical lines** – seen on charts to designate different time zones. Also used as a visual aid to line up important points on price charts with their corresponding point on technical indicators.

**Wedge** - a chart pattern that looks like a triangle but where the top and bottom borders each slope in the same direction. In a bearish wedge each border slopes up. In a bullish wedge each border slopes down.

**Wick** - see shadow.