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# AlphaProfit™

## Sector Investors' Newsletter

Service for Sophisticated Sector Investors

Monthly Report

### WHAT'S INSIDE

At A Glance .....	1
Market Review & Outlook.....	1
Performance & Prospects .....	1
ETF & Mutual Fund Selections .	2
Stock Searchlight .....	3
Portfolio Composition .....	4
Scorecard.....	4
ETF & Mutual Fund Facts .....	5
Preferred ETF & Mutual Fund Returns.....	8

AlphaProfit Sector Investors' Newsletter (ISSN: 1547-9668) is published monthly by AlphaProfit Investments, LLC.

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### At A Glance

#### Portfolios

**Focus:** Air Transportation, Gold, Transportation

**Core:** Air Transportation, Biotechnology, Construction & Housing, Consumer Discretionary, Environmental Services, Gold, Health Care, IT Consulting & Services, Medical Equipment, Pharmaceuticals, Retailing, Transportation

**Sector Portfolio Indicator:** Buy on Dips

**Favored Buy:** Transportation

**Stocks:** AAI, CEPH, GILD, MA

### Market Review & Outlook

#### The light brightens at tunnel end.

Equity investors bid prices higher for a third straight month. The Treasury Department's stress tests showed banks to be better capitalized than thought. Better-than-expected retailing earnings and improving consumer sentiment increased investor's confidence that the nadir in economic activity may have passed. Durable goods orders rose by a larger-than-expected 1.9% in April. In the National Association for Business Economics' survey, 74% of economists expected the U. S. economy to begin expanding next quarter.

#### Inflation concerns surface.

Efforts to revive the U. S. economy are widening the budget deficit. Bond and foreign investors grew increasingly concerned on the U. S. government's creditworthiness and its ability to finance the deficit. The yield on the 10-year Treasury bond surged 34 basis points to 3.46% while the U. S. dollar slid over 6% against major foreign currencies.

#### Maintaining the AlphaProfit Sector Portfolio Indicator at 'Buy on

**Dips'.** With investors focused more on economic recovery than inflation, the S&P 500 has staged a unidirectional advance devoid of meaningful declines to rally 36% from its March bottom. The magnitude and breadth of the rally have been quite impressive. While this augurs well for the stock market from a multi-month perspective, the current rally is relatively mature.

The S&P 500 will face significant resistance between 940 and 1,000 from a technical perspective. There is good possibility for the broad averages to be range-bound in the weeks ahead as sector rotation takes hold. Lagging sectors are likely to catch-up and leading sectors are likely to pare their gains. We maintain the AlphaProfit Sector Portfolio Indicator reading at 'Buy on Dips'. We raise the S&P 500 target to 880 for adding new money to the model portfolios. The S&P 500 closed at 919.14 on May 29.

### Performance & Prospects

Strong performance from gold enabled the AlphaProfit Focus model portfolio to outperform the Dow Jones Wilshire 5000 benchmark.

## AlphaProfit ETF &amp; Mutual Fund Selections

Mutual fund and exchange-traded fund recommendations for playing the investment thesis discussed in the Newsletter. Preferred mutual funds and ETFs in **bold**.

Sector or Industry Group	Mutual Funds					ETFs
	Recommendation (Ticker)	Availability, Trans. Fees, and Min. Holding Period				Recommendation (Ticker, Liquidity)
		E*Trade	Fidelity	Schwab	Ameritrade	
Air Transport	<b>Fidelity Sel Air Trans (FSAIX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>Mix of AAI, BA, PCP, &amp; UPS</b> (no pure-play ETF available)
Biotechnology	Biotech Ultra ProFund (BIPIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	iShares Nasdaq Biotechnology (IBB, Good)
	<b>Fidelity Sel Biotech (FBIIX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>SPDR S&amp;P Biotech (XBI, Good)</b>
	Rydex Biotechnology (RYOIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
Construction & Housing	<b>Fidelity Sel Construct (FSHOX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>50% SPDR S&amp;P Homebuild (XHB, Good)</b> <b>+50% PowerShares Build (PKB, Limited)</b>
Consumer Disc.	Cons Serv Ultra ProFund (CYPIX)	A, NTF, 90	N	A, NTF, No	A, F	<b>Cons Discretionary SPDR (XLY, Good)</b>
	<b>Fidelity Sel Cons Disc (FSCPX)</b>	A, F	A, NTF, 30	R, F	A, F	
Environ Services	<b>Fidelity Sel Environ (FSLEX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>MarketVectors Env Serv (EVX, Limited)</b>
Gold	<b>Fidelity Sel Gold (FSAGX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>65% MarketVectors Gold Miners (GDJ, High)</b> <b>+35% SPDR Gold Shares (GLD, High)</b>
	Rydex Precious Metals (RYPMX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
	Prec Met Ultra ProFund (PMPX)	A, NTF, 90	N	A, NTF, No	A, F	
Health Care	<b>Fidelity Sel Health Care (FSPHX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>Health Care SPDR (XLV, Good)</b>
	Health Ultra ProFund (HCPIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
	Rydex Health Care (RYHIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
	Schwab Health Care (SWHFX)	A, NTF, 90	A, NTF, 180	A, NTF, 30	A, NTF, 30	
IT Consulting & Services	<b>Fidelity Sel IT Serv (FBSOX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>Mix of ACS, ADP, FISV, &amp; MA</b> (no pure-play ETF available)
Medical Equip	<b>Fidelity Sel Med Equip (FSMEX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>iShares DJ US Med Devices (IHI, Limited)</b>
Pharmaceuticals	<b>Fidelity Sel Pharma (FPHAX)</b>	A, F	A, NTF, 30	R, F	A, F	Pharmaceutical HOLDRs (PPH, Good)
	Pharma Ultra ProFund (PHPIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	<b>PowerShares Pharma (PJP, Limited)</b>
Retailing	<b>Fidelity Sel Retailing (FSRPX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>SPDR S&amp;P Retail (XRT, Good)</b>
	Rydex Retailing (RYRIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
Transportation	<b>Fidelity Sel Transport (FSRFX)</b>	A, F	A, NTF, 30	R, F	A, F	<b>iShares DJ US Transportation (IYT, Good)</b>
	Rydex Transportation (RYPIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
<b>Minimum Purchase Requirements</b>					<b>Availability:</b> A-Available, C-Limited to current shareholders, I-Limited to Institutional investors, N-Not available, R-Limited to retail investors. <b>Trans. Fees:</b> F-Transaction fee applies, NTF-No transaction fee subject to holding period. <b>Min. Holding Period:</b> For no transaction fee (NTF) funds, minimum number of days or months a fund needs to be held to avoid both fund's short-term redemption fee and broker's transaction fee. Minimum holding period not provided for transaction fee (F) funds. <b>Liquidity:</b> Investors should consider limit orders when trading ETFs with limited liquidity. <b>Note:</b> The above table is for information purposes only. Before buying any mutual fund or exchange-traded fund, read its prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.	
<b>ETF/Fidelity Fund</b>	<b>Regular Accounts</b>	<b>Retirement Accounts</b>				
Fidelity Select	\$2,500	\$500*				
Fidelity Spartan 500 Index Inv	\$10,000	\$10,000				
ETFs	1 share	1 share				
HOLDRS	100 shares	100 shares				
* \$500 for SEP-IRA, Keogh, and prototype retirement accounts. \$2,500 for traditional, Roth, and rollover IRA accounts.						

Weaker performance of consumer discretionary and health care investments limited the AlphaProfit Core model portfolio's advance.

### Air Transport

Preferred air transportation investments performed mixed with AlphaProfit's Air Transportation basket faring inline with the DJW 5000 and Fidelity Select Air

Transportation lagging. The basket benefited from gains in Boeing and Precision Castparts while larger exposure to airlines likely dragged the Fidelity fund lower. As expected, swine flu concerns have proven transitory. Global passenger traffic data suggest that demand for air travel is rising. While rising fuel costs are a risk, airline shares can fare well as long as the economy improves.

### Biotechnology

Preferred biotechnology investments underperformed the DJW 5000. At a company level, shares of United Therapeutics gained 27% after receiving U. S. Food & Drug Administration approval. Early-stage biotech companies are feeling the impact of the financial crisis as venture capital funds have dried up. Well-established, profitable biotech

## Stock Searchlight

*Stocks with appealing earnings trends and relatively attractive valuation characteristics are highlighted.*

Company	Ticker	Price	Est. P/E	Div. Yield	Buy Below	Sell Above	Stop-Loss	Risk Rating
AirTran Holdings	AAI	\$5.48	5.4	-	\$5.25	\$6.05	\$3.65	Above Average
Cephalon	CEPH	\$57.04	9.8	-	\$56.75	\$62.50	\$49.15	Average
Gilead Sciences	GILD	\$44.19	17.5	-	\$43.50	\$47.85	\$32.00	Average
MasterCard	MA	\$169.95	16.0	0.4%	\$163.50	\$188.00	\$134.40	Above Average

*Earnings estimates from Capital IQ*

**AAI.** Shares of AirTran Holdings lost 27% in May even after the airline reported strong first quarter results earning 20 cents a share, well in excess of analysts' 4 cents a share forecast. This sell off resulted from general weakness in airline shares and presents a good buying opportunity for short-term investors. AirTran is executing well by tightly controlling costs. In April, AirTran reported a 6.5% increase in percent of seats filled as it reduced available seat miles by 7.9%. Analysts' expect AirTran to earn \$1.06 a share in 2009. AirTran's volatile shares trade at a low, single-digit forward P/E multiple.

**CEPH.** Shares of Cephalon came under pressure in May after the company raised \$800 million by offering common stock and convertible notes. While investors have reacted negatively to this news, we believe this capital cushion puts Cephalon in a better position to pursue business development opportunities including acquisitions. The biotech firm has already made a tender offer for Arana Therapeu-

tics and purchased an option to buy Ception Therapeutics. On the operating front, strong sales of sleep disorder and leukemia drug *Provigil* enabled Cephalon to earn \$1.47 a share in the first quarter, beating analysts' \$1.20 a share

### Model Portfolio Repositioning

The model portfolios will be repositioned after the markets close on June 30. To help you closely track the model portfolios, we will publish the **Repositioning Alert** by 12:00 p.m. Central Time on **Tuesday, June 30** in the Subscriber Login area.

forecast. Analyst's expect Cephalon's EPS to grow 16% over the next four quarters. Cephalon's shares trading at a forward P/E of about 10 are compelling from a risk-reward perspective.

**GILD.** Shares of Gilead Sciences lost nearly 6% in May after clinical data for the company's experimental blood pressure drug *darusentan* raised cardiovascular safety concerns. *Darusentan* makes up a small part of Gilead's value and this sell off is an over-

reaction. Looking beyond this setback, the company is executing well. Supported by a 22% increase in first quarter revenue, Gilead earned 63 cents a share, beating analysts' forecast by 4 cents a share. Sales of Gilead's AIDS drugs *Atripla* and *Truvada* gained 57% and 23% to exceed \$500 million each. The world's largest AIDS drug maker expects 2009 product sales to tally about \$6 billion.

**MA.** MasterCard is executing relatively well in a challenging environment. During the first quarter, the company earned \$2.80 a share beating analysts' \$2.62 a share estimate. A 10.8% reduction in expenses enabled the credit card network to more than offset the impact of a 2.2% decline in revenue and increase profits. Going forward, MasterCard expects revenue gains in 2009 to fall short of its long-term goal of 12% to 15% growth. Increasing use of debit cards and higher volumes of cross-border transactions should help the company offset the impact of declining discretionary spending in the U. S.

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*continued on page 6*

## Portfolio Composition

AlphaProfit model portfolios were last repositioned at March 31, 2009 market close.

### AlphaProfit Focus™ Model Portfolio

Fidelity Fund Holding (Ticker Symbol)	March 31, 2009		May 31, 2009	
	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Air Transport (FSAIX)	\$228,460	28.45%	\$276,491	29.42%
Gold (FSAGX)	\$205,969	25.64%	\$244,916	26.06%
Transportation (FSRFX)	\$368,730	45.91%	\$418,437	44.52%
Total (rounded to)	\$803,159	100.00%	\$939,844	100.00%

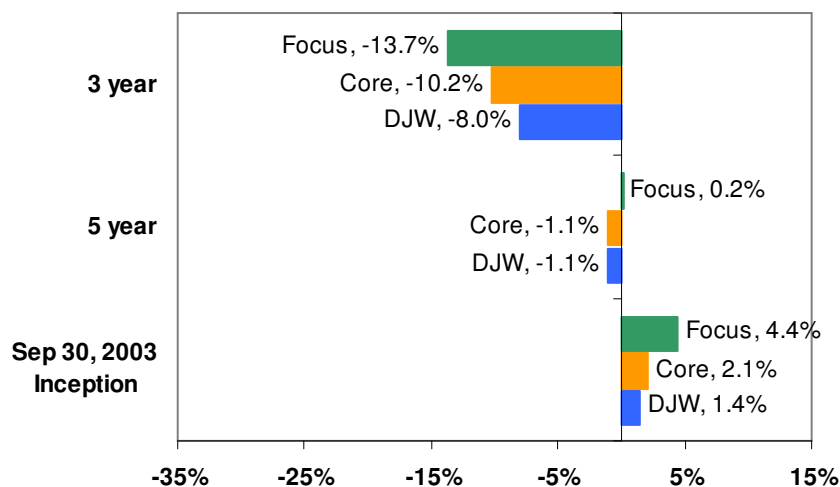
### AlphaProfit Core™ Model Portfolio

Fidelity Fund Holding (Ticker Symbol)	March 31, 2009		May 31, 2009	
	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Air Transport (FSAIX)	\$31,350	7.67%	\$37,941	8.30%
Biotechnology (FBIOX)	\$30,619	7.49%	\$30,167	6.60%
Cons & Housing (FSHOX)	\$27,349	6.69%	\$31,553	6.90%
Cons Discretion (FSCPX)	\$30,309	7.41%	\$34,550	7.55%
Environmental (FSLEX)	\$25,916	6.34%	\$30,568	6.68%
Gold (FSAGX)	\$28,342	6.93%	\$33,702	7.37%
Health Care (FSPHX)	\$31,046	7.59%	\$33,290	7.28%
IT Services (FBSOX)	\$31,998	7.83%	\$35,959	7.86%
Med Equipment (FSMEX)	\$31,655	7.74%	\$34,243	7.49%
Pharmaceut (FPHAX)	\$30,176	7.38%	\$31,433	6.87%
Retailing (FSRPX)	\$34,694	8.49%	\$38,400	8.40%
Transportation (FSRFX)	\$75,405	18.44%	\$85,570	18.71%
Total (rounded to)	\$408,860	100.00%	\$457,377	100.00%

At newsletter inception on September 30, 2003, the Focus and Core model portfolios had values of \$735,204 and \$406,160, respectively.

## Scorecard

Model portfolio returns are compared with that of the Dow Jones Wilshire 5000 benchmark. Returns for periods longer than 1 year are annualized.



	May 2009	Qtr-To-Date	Year-To-Date	1 Year
Focus	7.3%	17.0%	-4.2%	-43.1%
Core	3.1%	11.9%	1.8%	-39.9%
DJW 5000	5.2%	16.4%	4.7%	-32.4%

companies are eyeing partnerships or buyouts at attractive terms. The possibility of increasing transaction activity adds to investment appeal.

## Construction & Housing

After surging over 40% from March through April, preferred construction & housing investments lagged the DJW 5000 in May. Losses at leading homebuilders exceeded analysts' forecast. While low mortgage rates are a positive, the homebuilding industry faces some challenges. Rising foreclosures are adding to supply of homes while increasing unemployment is dampening demand. The pickup in global economic growth is a plus for engineering & construction firms like Fluor and Jacobs Engineering.

## Consumer Discretionary

Preferred consumer discretionary investments trailed the DJW 5000 index after leading the benchmark for two months. Consumer discretionary shares can get another leg up if employment trends improve. Leading media companies and home improvement retailers reported EPS ahead of analysts' forecast. Consumer discretionary companies are focusing on restructuring activities and emerging markets to increase profits. Nike is cutting 5% of its workforce to boost competitiveness. DirecTV and McDonald's are expanding operations in Latin America and India, respectively.

## Environmental Services

Impaired by a 32% decline in Calgon Carbon's shares, preferred environmental services investments lagged the DJW 5000. Calgon Carbon reported EPS inline with analysts' estimate but revenue fell short. Elsewhere, Republic Services and Veolia Environnement beat analysts' EPS forecasts. Share prices here stand to benefit from an economic recovery. Hazardous waste handling firm Clean Harbors expects volumes to rebound in the second quarter. Waste Management and Veolia are working to cut costs by over \$100 million this year.

ETF & Mutual Fund Facts				
Industry	Air Transportation		Biotechnology	
MF/ETF	Fidelity Sel. Air Transport	Air Transport Basket	Fidelity Sel. Biotech	SPDR S&P Biotech
Ticker	FSAIX	None	FBIOX	XBI
Manager/Index	J. Mirshekari	AlphaProfit	R. Kaul	S&P Biotech Sel. Industry
Category	Mid Cap Value	Large Cap Blend	Large Cap Growth	Mid Cap Growth
Risk Rating	Average	Below Average	Above Average	Above Average
Top 10 Holdings	Delta Air Lines	AirTran Holdings, 18.6%	Amgen	Martek Biosciences
	Boeing	Boeing, 25.6%	Gilead Sciences	Theravance
	Precision Castparts	Precision Cast., 33.2%	Biogen Idec	Myriad Genetics
	United Parcel Service	United Parcel Svc., 22.6%	Genzyme	Isis Pharmaceuticals
	FedEx		Celgene	Alkermes
	Spirit AeroSystems		Alexion Pharmaceuticals	Genzyme
	Goodrich		Cephalon	Onyx Pharmaceuticals
	Ryanair Holdings		Vertex Pharmaceuticals	BioMarin Pharmaceutical
	Continental Airlines		BioMarin Pharmaceuticals	United Therapeutics
	AirTran Holdings		Acorda Therapeutics	OSI Pharmaceuticals
% Portfolio	62.9%	100.0%	68.4%	44.0%
% Foreign	12.1%	0.0%	<5.0%	0.0%
Date	As of Mar. 31, 2009	As of May 31, 2009	As of Mar. 31, 2009	As of Mar. 27, 2009
Industry/Index	Consumer Discretionary		Environmental Services	
MF/ETF	Fidelity Sel. Cons. Disc.	Cons. Disc. Sel. SPDR	Fidelity Sel. Environment	Mkt. Vect. Envir. Svcs.
Ticker	FSCPX	XLY	FSLEX	EVX
Manager/Index	J. Harris	Cons. Disc. Sel. Sector	D. Simmons	NYSE Arca Envir. Svcs.
Category	Large Cap Growth	Large Cap Blend	Mid Cap Growth	Mid Cap Growth
Risk Rating	Below Average	Below Average	Below Average	Average
Top 10 Holdings	McDonald's	McDonald's	Veolia Environnement	Stericycle
	Lowe's	Comcast	Ecolab	Waste Management
	Target	Home Depot	Stericycle	Republic Services
	Comcast	Walt Disney	Republic Services	Shaw Group
	Home Depot	Time Warner	Waste Management	Nalco Holding
	Walt Disney	Lowe's	Whole Foods Market	Calgon Carbon
	Staples	Target	Nalco Holding	Tetra Tech
	Time Warner	Amazon.com	Tetra Tech	Waste Connections
	Amazon.com	Nike	Calgon Carbon	Layne Christensen
	Costco Wholesale	News Corp.	Clarcor	Clean Harbors
% Portfolio	47.7%	51.0%	72.3%	63.1%
% Foreign	<5.0%	0.0%	12.5%	9.6%
Date	As of Mar. 31, 2009	As of Mar. 27, 2009	As of Mar. 31, 2009	As of Mar. 27, 2009
Industry/Index	Health Care		IT Services	
MF/ETF	Fidelity Sel. Health Care	Health Care Sel. SPDR	Fidelity Sel. IT Services	IT Service Basket
Ticker	FSPHX	XLV	FBSOX	None
Manager/Index	E. Yoon	Health Care Sel. Sector	K. Weaver	AlphaProfit
Category	Large Cap Growth	Large Cap Growth	Mid Cap Growth	Large Cap Growth
Risk Rating	Below Average	Below Average	Below Average	Average
Top 10 Holdings	Medco Health Solutions	Johnson & Johnson	Visa	Affiliated Comp., 21.4%
	Schering-Plough	Pfizer	MasterCard	Automatic Data, 25.0%
	Wyeth	Abbott Laboratories	Accenture	Fiserv, 28.8%
	Merck	Wyeth	Affiliated Computer Svcs	MasterCard, 24.8%
	Allergan	Merck	Fiserv	
	Gilead Sciences	Amgen	Alliance Data Systems	
	Pfizer	Bristol-Myers Squibb	Cognizant Tech Solutions	
	Baxter International	Gilead Sciences	Automatic Data Process	
	Covidien	Schering-Plough	Fidelity Natl Info Svcs	
	Biogen Idec	Eli Lilly	Western Union	
% Portfolio	44.2%	59.1%	67.5%	100.0%
% Foreign	5.6%	0.0%	<5%	0.0%
Date	As of Mar. 31, 2009	As of Mar. 27, 2009	As of Mar. 31, 2009	As of May 31, 2009

## ETF &amp; Mutual Fund Facts (continued from pg. 5)

Industry	Medical Equipment		Pharmaceuticals	
MF/ETF	Fidelity Sel. Med. Eqpt.	iShares DJ US Med. Dev.	Fidelity Sel. Pharma	PowerShares Pharma
Ticker	FSMEX	IHI	FPHAX	PJP
Manager/Index	E. Yoon	DJ US Medical Devices	A. Oh	Dyn. Pharma. Intellidex
Category	Large Cap Growth	Mid Cap Growth	Large Cap Growth	Large Cap Growth
Risk Rating	Below Average	Below Average	Below Average	Below Average
Top 10 Holdings	Baxter International Covidien Medtronic C.R. Bard St. Jude Medical Boston Scientific Medco Health Solutions Allergan Hospira Qiagen NV	Medtronic Covidien Thermo Fisher Scientific St Jude Medical Boston Scientific Stryker Zimmer Holdings Waters Varian Medical Systems Beckman Coulter	Merck Wyeth Schering-Plough Johnson & Johnson Abbott Laboratories Pfizer Allergan Bristol-Myers Squibb Eli Lilly Novo Nordisk	Pfizer Merck Bristol-Myers Squibb Johnson & Johnson Wyeth Amgen Gilead Sciences Abbott Laboratories Schering-Plough Perrigo
% Portfolio	63.0%	56.3%	69.0%	47.4%
% Foreign	<5%	0.0%	11.5%	0.0%
Date	As of Mar. 31, 2009	As of Mar. 27, 2009	As of Mar. 31, 2009	As of Mar. 27, 2009
Industry/Index	Retailing		Transportation	
MF/ETF	Fidelity Sel. Retailing	SPDR S&P Retail	Fidelity Sel. Transport	iShares DJ US Transport
Ticker	FSRPX	XRT	FSRFX	IYT
Manager/Index	E. Hornbuckle	S&P Retail Sel. Industry	J. Mirshekari	DJ US Transport. Avg.
Category	Mid Cap Growth	Mid Cap Growth	Large Cap Blend	Mid Cap Blend
Risk Rating	Below Average	Below Average	Below Average	Below Average
Top 10 Holdings	Staples Lowe's Home Depot Amazon.com Target Best Buy TJX PetSmart Wal-Mart Lumber Liquidators	J. C. Penney Nordstrom Sears Holdings Macys Gymboree CarMax Collective Brands Guess AutoNation Best Buy	United Parcel Service Union Pacific Norfolk Southern Burlington North Santa Fe C.H. Robinson Wwide CSX Canadian Natl Railway Expeditors International Southwest Airlines Delta Air Lines	Burlington Northern SF United Parcel Service FedEx Union Pacific Norfolk Southern JB Hunt Transport Expeditors Intl. C.H. Robinson Wwide Landstar System CSX Corp
% Portfolio	57.8%	21.5%	75.8%	70.6%
% Foreign	0.0%	0.0%	7.9%	0.0%
Date	As of Mar. 31, 2009	As of Mar. 27, 2009	As of Mar. 31, 2009	As of Mar. 27, 2009

## Disclosure continued from page 3

The model portfolios presented in this newsletter are the products of AlphaProfit Investments, LLC. The proprietary ValuM™ Investment Process is used to select sectors for investment in the AlphaProfit Sector Investors' Newsletter model portfolios. This process evaluates sectors based on their valuation, momentum, and news flow quality.

We calculate total pre-tax returns based on price changes, assuming reinvestment of all distributions in the funds in which they were paid.

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**ETF & Mutual Fund Facts** (continued from pg. 6)

Industry	Construction & Housing		
MF/ETF	Fidelity Sel. Const.	SPDR S&P Homebuil.	PowerShares Build.
Ticker	FSHOX	XHB	PKB
Manager/Index	D. Kelley	S&P Homebuilders	Dyn. Buil. Intellidex
Category	Mid Cap Value	Mid Cap Value	Mid Cap Blend
Risk Rating	Below Average	Average	Below Average
Top 10 Holdings	Home Depot	NVR	NVR
	Lowe's	DR Horton	URS
	Sherwin-Williams	Toll Brothers	Pulte Homes
	Equity Residential	Pulte Homes	Jacobs Engineering
	Pulte Homes	KB Home	Lowe's
	Fluor	Lennar	Home Depot
	Jacobs Engineering	MDC Holdings	Fluor
	Centex	Centex	AECOM Technology
	KBR	Ryland Group	Interface
	DR Horton	Home Depot	Insituform Tech.
% Portfolio	62.9%	59.0%	48.2%
% Foreign	<5.0%	0.0%	0.0%
Date	As of Mar. 31, 2009	As of Mar. 27, 2009	As of Mar. 27, 2009
Industry	Gold		
MF/ETF	Fidelity Sel. Gold	MV Gold Miners	SPDR Gold Shares
Ticker	FSAGX	GDJ	GLD
Manager/Index	J. Wickwire	NYSE Arca Gold Min.	World Gold Trust
Category	Large Cap Growth	Large Cap Growth	Commodity
Risk Rating	Above Average	Above Average	Below Average
Top 10 Holdings	Newmont Mining	Barrick Gold	Gold (London)
	Barrick Gold	Goldcorp	
	Goldcorp	Newmont Mining	
	Kinross Gold	Anglogold Ashanti	
	Agnico-Eagle Mines	Agnico-Eagle Mines	
	Newcrest Mining	CDM Buenaventura	
	Randgold Resources	Kinross Gold	
	Anglogold Ashanti	Randgold Resources	
	Yamana Gold	Eldorado Gold	
	Lihir Gold	Yamana Gold	
% Portfolio	63.2%	63.9%	100.0%
% Foreign	74.7%	86.5%	Not applicable
Date	As of Mar. 31, 2009	As of Mar. 27, 2009	As of Mar. 27, 2009

Care Select SPDR leading the DJW 5000 and Fidelity Select Health Care lagging. The SPDR benefited from stronger performance of Johnson & Johnson and Abbott Laboratories' shares. Heavier exposure to arbitrage plays likely restrained the Fidelity fund's returns. Health care shares will likely fare better when risk aversion returns. The Obama administration's health care reform plans are likely to create consolidation and market expansion opportunities for managed care companies.

**IT Consulting & Services**

Preferred IT Consulting & Services investments lagged the DJW 5000 benchmark although many companies performed well on the earnings front. Cognizant Technology expects revenue to grow 10% while Fiserv has reaffirmed its earnings guidance for fiscal 2009. Given economic uncertainties, we like the prospects for the IT Consulting & Services group where businesses tend to have stable recurring revenue from long-term contracts.

**Medical Equipment**

Preferred investments in medical equipment marginally trailed the DJW 5000 benchmark. Overcoming a stronger U. S. dollar, Allergan, Medtronic, and Qiagen reported earnings inline or better than analysts' forecast. The recent slide in the greenback should provide a tailwind going forward. Medtronic has launched two new spinal products for use in cervical procedures. Diagnostic test equipment makers like Thermo Fisher Scientific stand to benefit from Obama's stimulus package that earmarks billions of dollars for R&D programs.

**Pharmaceuticals**

Preferred pharmaceutical investments outperformed the DJW 5000.

**Gold**

Gains from preferred gold-related investments exceeded 26% to handily outperform the DJW 5000. The yellow metal gained 10% in price to nearly \$980 an ounce as the U. S. dollar slid against major currencies. As the U. S. dollar's status of the global *de facto* reserve

currency diminishes, gold is asserting itself to fill the void. We believe gold will crack through the \$1,000 per ounce mark in 2009 and move on to exceed its 2008 highs.

**Health Care**

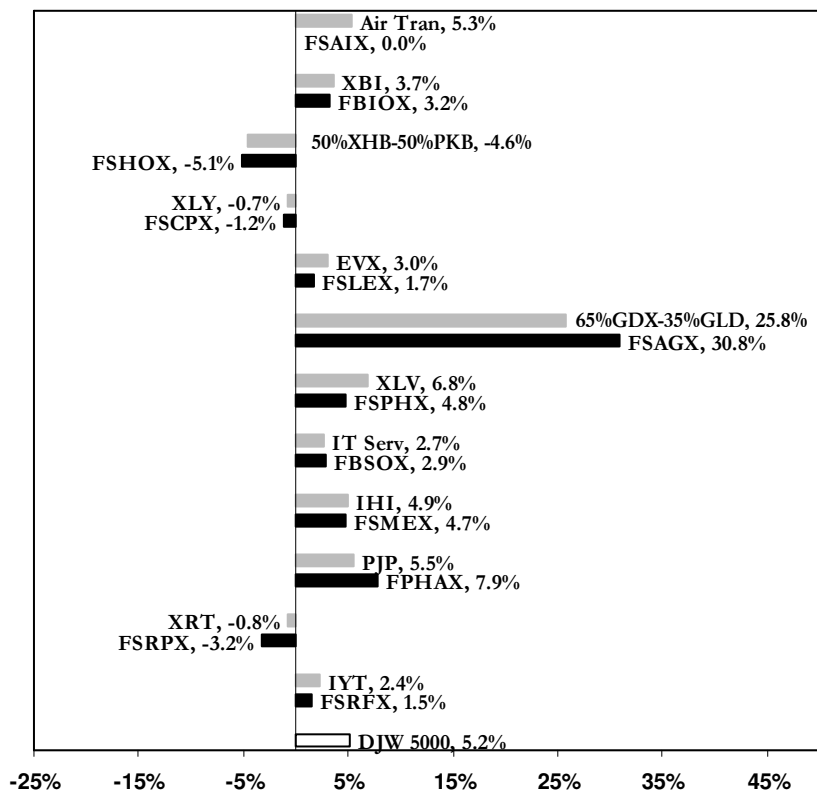
Preferred investments in health care performed mixed with Health



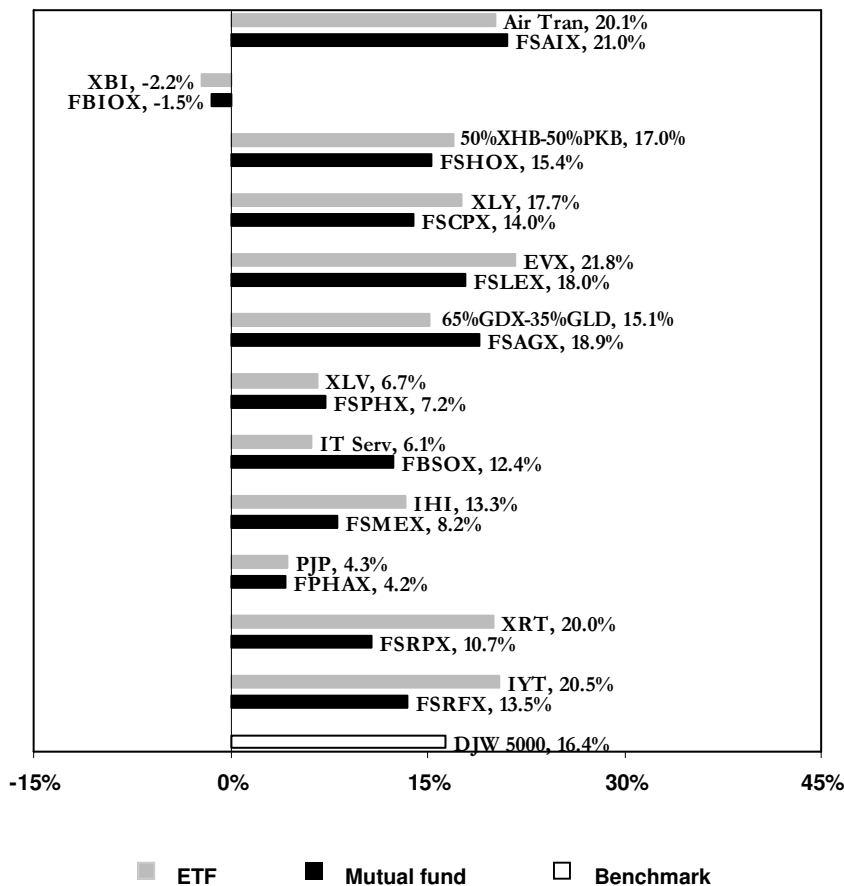
The AlphaProfit Sector Investors' Newsletter™ is edited and published by Dr. Sam Subramanian, Managing Principal and Chief Investment Officer of AlphaProfit Investments, LLC. Sam is an avid stock market investor and has tracked Fidelity Select Funds for several years. With a strong quantitative and analytical bent, Sam has honed his skills in security research and analysis. Sam developed the ValuM Investment Process™ for managing investments. The ValuM Investment Process has helped Sam build a successful track record in managing his investments since 1985. Prior to founding AlphaProfit Investments, LLC, Sam worked in positions of increasing responsibility in Finance and Corporate Strategy advising in Acquisitions and Divestitures, Asset Valuation, Trading, Bankruptcies, and Risk Management. Sam graduated with honors from the MBA program at the University of Michigan and has a Doctorate Degree in Chemical Engineering from Syracuse University. Sam also holds 16 U. S. patents.

Preferred ETF & Mutual Fund Returns

May 2009



2Q2009-To-Date



Featured Quote

*'In a world that never stops changing, a stable investment strategy may be your safest haven.'*

**Charles Schwab**

Pfizer and Merck shares gained double-digits after investors warmed up to benefits from large acquisitions the companies are pursuing. Growing use of generic and over-the-counter (OTC) drugs is pressuring prescription drug sales. OTC drug maker Perrigo has raised its fiscal year EPS outlook. Branded drug makers like Bristol-Myers Squibb and Eli Lilly trading at single-digit forward P/Es and yielding nearly 6% are a value play.

Retailing

After gaining a healthy 38% in March and April, preferred retailing investments paused to lag the DJW 5000. JC Penney, Macy's, and Target exceeded analysts' forecast by at least 15%. Consumer sentiment has recovered to the highest level since September after hitting a 28-year low in November. Yet, consumers continue to trade down benefiting discount retailers. Going forward, retail shares can fare well if the job market bottoms soon. If not, rising gasoline prices can derail the uptrend in retail shares.

Transportation

Preferred investments in the transportation sector lagged the DJW 5000 benchmark. Shares of freight heavyweights FedEx and UPS were subdued whereas railroads fared a tad better. Economic data from China, India, and Japan suggest that the pace of manufacturing activity is picking up. Global product movement should perk up as economic recovery gains traction benefiting transportation companies. With transportation stocks having lagged the recent upturn, we maintain the 'Favored Buy' rating on the transportation group.

AlphaProfit Investments, LLC  
Date: May 31, 2009