



Ideas. Insights. Results.

AlphaProfit™

Sector Investors' Newsletter

Service for \$ophisticated \$ector Investors

Monthly Report

WHAT'S INSIDE

At A Glance	1
Market Review & Outlook.....	1
ETF & Mutual Fund Selections .	2
Performance & Prospects	2
Stock Searchlight	3
Portfolio Composition	4
Scorecard	4
ETF & Mutual Fund Facts	5
Preferred ETF & Mutual Fund Returns	7

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

The Subscription Price Schedule for the AlphaProfit Sector Investors' Newsletter is posted at <http://www.alphaprofit.com>. To subscribe or to learn more about AlphaProfit Investments, visit www.alphaprofit.com.

Copyright © 2010 AlphaProfit Investments, LLC. All rights reserved. No part of this document may be reproduced in any manner without written permission of AlphaProfit Investments, LLC.

AlphaProfit Investments, LLC neither is associated with nor receives any compensation from any of the mutual fund and other companies, brokers, or entities connected with the exchange-traded funds mentioned in the newsletter.

Please review our Terms & Conditions of Use and Subscriber Agreement which is available on our website at www.alphaprofit.com, which governs your relationship with AlphaProfit Investments, LLC, including, but not by way of limitation, use of this newsletter.

For definitions of terms used in this report, please see Glossary available at www.alphaprofit.com.

At A Glance

Portfolios

Focus: Auto, DJW 5000 Index, Real Estate

Core: Auto, Capital Markets, Consumer Discretionary, DJW 5000 Index, Media, Real Estate, Retailing

Sector Portfolio Indicator: Buy on Dips

Favored Buy: None

Stocks: AN, IBM, INTC, NYX, PM

Market Review & Outlook

Rally yields to correction. After starting 2010 on a bullish note with a 6-day rally that enabled the S&P 500 index to gain nearly 3%, equity prices lost their upward momentum. Broader indexes like the S&P 500 logged their largest decline since February 2009. The S&P 500 lost 3.6% while the Nasdaq Composite lost 5.4%. Materials and technology shares were among the weakest performers losing nearly 9% each.

Earnings take a back seat. While discouraging news from Alcoa and JPMorgan initially undid the rally, fourth quarter earnings reports for the most part were positive with the likes of Apple, Boeing, and Intel posting exceptionally strong results. S&P 500 member companies on average beat analysts' forecast by 13%. Investors however took on a 'sell on the news' posture towards equities and companies reporting strong earnings often saw their share prices dip.

Focus shifts to Washington and Beijing. Investors were preoccupied with developments outside the corporate world. President Obama's proposals for tightening regulations on financial institutions raised concerns on future profitability of banks.

Uncertainty on Ben Bernanke's continuation as head of the Federal Reserve also weighed on sentiment. China sought to slow its breakneck pace of economic expansion by curbing loan growth. The resulting sell-off in Chinese stocks rippled through the rest of the world.

Rating Sector Portfolio Indicator 'Buy on Dips'. Following a 73% advance from its March 2009 bottom to its January 2010 top, the S&P 500 has now pulled back nearly 7%. We believe the decline presents an opportunity to increase allocation to equities although further decline in the near-term is a possibility.

Valuation metrics expanded during the 11-month rally in stock prices. Prior to the start of the fourth quarter earnings reporting season, the S&P 500 traded at 25 times operating profits, the highest level since 2002.

Even though earnings reports have been strong, the bottom line has been bolstered primarily by cost cuts and restructuring. Revenue growth has been rather anemic with S&P 500 companies on average beating low expectations here by just 1.2%. As a result, stock valua-

AlphaProfit ETF & 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	
Auto	Fidelity Sel Automotive (FSAVX)	A, F	A, NTF, 30	R, F	A, F	Mix of ALV 24.0%, AN 27.6%, JCI 30.4%, & PAG 18.0% (no pure-play ETF available)
Capital Markets	Fidelity Sel Brokerage (FSLBX)	A, F	A, NTF, 30	R, F	A, F	iShares DJ US Broker-Dealers (IAI, Good)
	Kinetics Market Opp (KMKNX)	A, NTF, 90	A, NTF, 180	I, NTF, 90	A, F	SPDR KBW Capital Markets (KCE, Limited)
Consumer Disc.	Cons Serv Ultra ProFund (CYPX)	A, NTF, 90	N	A, NTF, No	A, F	Cons Discretionary SPDR (XLY, Good)
	Fidelity Sel Cons Disc (FSCPX)	A, F	A, NTF, 30	R, F	A, F	Vanguard Cons Discretion (VCR, Limited)
DJW Total Market	Fidelity Fund (FFIDX)	A, F	A, NTF, 90	A, F	A, F	SPDR DJ Total Market (TMW, Limited)
	Fidelity Sptn Total Mkt (FSTMX)	N	A, NTF, 90	A, F	A, F	Vanguard Total Stock Market (VTI, Good)
	Schwab Total Stock Mkt (SWTSX)	A, F	A, F	A, NTF, 30	A, F	
	Wilshire Target 5000 (WFIVX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, 180	
Media	Fidelity Sel Multimedia (FBMPX)	A, F	A, NTF, 30	R, F	A, F	PowerShares Media (PBS, Limited)
Real Estate	Fidelity Real Estate (FRESX)	A, F	A, NTF, 30	A, F	A, F	iShares DJ US Real Estate (IYR, Good)
	Neuberger Real Estate (NBRFX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, 180	SPDR DJ REIT (RWR, Good)
	Real Estate Ultra ProFund (REPIX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, F	Vanguard REIT (VNQ, Good)
	Rydex Real Estate (RYHRX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, No	
Retailing	Fidelity Sel Retailing (FSRPX)	A, F	A, NTF, 30	R, F	A, F	SPDR S&P Retail (XRT, Good)
	Rydex Retailing (RYRIX)	A, NTF, 90	A, NTF, 180	A, NTF, No	A, F	
Minimum Purchase Requirements					Availability: A-Available, C-Limited to current shareholders, I-Limited to Institutional investors, N-Not available, R-Limited to retail investors. Trans. Fees: F-Transaction fee applies, NTF-No transaction fee subject to holding period. Min. Holding Period: 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. Liquidity: Investors should consider limit orders when trading ETFs with limited liquidity. Note: 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.	
ETF/Fidelity Fund	Regular Accounts	Retirement Accounts				
Fidelity Select	\$2,500	\$500*				
Fidelity Spartan Total Mkt.	\$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.						

tions have become hard to justify in certain cases and the valuation correction in some sectors has exceeded that in others.

The growth trajectory of the U. S. economy appears to be relatively robust. The Commerce Department estimates U. S. gross domestic product expanded at a 5.7% annual rate in 2009's final quarter, the fastest rate in six years. Auguring well for the immediate future, the Conference Board's Leading Economic Index increased 1.1% in December pushing the index's 6-month gain to 5.2%.

Clouding this picture, the U. S. job market is yet to gain traction. European nations like Greece, Portugal,

Spain, and the United Kingdom are in a financial mess. Exogenous shocks from such nations pose risks as well.

On balance, stocks can get another leg up in earnest when the current tide of nervousness subsides. We rate the AlphaProfit Sector Portfolio Indicator '**Buy on Dips**'. At the start of 2010, we suggested keeping up to 30% of assets in cash depending on investment objective and risk tolerance. A portion of this cash can **now** be invested while maintaining up to 25% of assets in cash. The cash position can be pruned further to 15% by purchasing additional equities if the S&P 500 declines to the 1,000 to 1,025 range from its January close of 1073.87.

Performance & Prospects

The AlphaProfit Core model portfolio performed generally inline with the Dow Jones Wilshire 5000 in January while the AlphaProfit Focus model portfolio lagged. With the exception of real estate, most investments in recommended sectors and industries outperformed the benchmark.

Auto

Preferred investments in the automotive group outperformed the DJW 5000 benchmark. With the exception of Harley Davidson, most auto and auto part companies like Autoliv, Ford, and Johnson Con-

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
AutoNation	AN	\$17.69	13.3	-	\$16.30	\$20.50	\$13.90	Above Average
Intl Bus Mach	IBM	\$123.73	11.1	1.8%	\$122.00	\$134.25	\$95.00	Below Average
Intel	INTC	\$20.06	12.2	3.1%	\$20.20	\$22.95	\$15.10	Average
NYSE Euronext	NYX	\$24.77	10.7	4.8%	\$24.35	\$30.70	\$14.05	Above Average
Philip Morris Intl	PM	\$48.67	12.8	4.8%	\$48.90	\$54.95	\$34.10	Below Average

Earnings estimates from Capital IQ

AN. Having tightly controlled operating costs, interest expenses, and inventories to weather a downturn in auto sales, AutoNation is now well-positioned to rapidly improve earnings. The largest retailer of new and used vehicles in the U. S. remained profitable through the recession earning 36 cents a share in the recently completed third quarter. This marked a 44% increase from the year-ago period. Favorable product mix, increase in industry sales, and share buybacks are likely to spur AutoNation's EPS by 20% in 2010. Trading at a lower teen forward P/E multiple, AutoNation shares are appealing for investors seeking growth at a reasonable price.

IBM. Dividend yielding shares of International Business Machines merit the consideration of conservative investors. The technology giant continues to score successes in expanding gross margins by relentlessly focusing on costs. IBM's gross margin increased to 48.3% in the fourth quarter to mark their ninth straight quarterly increase. The company expects revenue growth to accelerate in the first quarter to the 4% to 5% range. IBM

expects to roll out its z series mainframe computer in 2010. Over the long haul, cloud computing promises to be opportunity for growth. Big Blue's EPS is expected to grow 11% and exceed \$11 in 2010.

INTC. The world's number one chip-maker Intel is executing well. The company earned 40 cents a share in the third quarter, beating analysts' forecast by 33%. Intel invested during the downturn to advance its manufacturing prowess and technology. These efforts are helping the company widen gross margins. Intel is well positioned to benefit from the 4.6% growth in global technology spending Gartner expects in 2010. In the near-term, Intel should see strong demand in its server business. Longer-term, the move to cloud computing and the need for mega data centers are key growth opportunities. Trading at a low double-digit forward P/E multiple, Intel shares are an attractive selection for most investors.

NYX. NYSE Euronext possesses unmatched brand recognition in equity trading. Following a highly volatile 2008, trading volumes have trended lower in 2009. NYSE earned 53 cents a share

in the third quarter, beating analysts' forecast by over 15%. Operating conditions should become more favorable in 2010 particularly if confidence improves and pace of initial public offerings picks up. Meanwhile, NYSE's derivatives operations including equity options trading should continue to grow. Analysts expect NYSE's EPS to grow double digits in 2010. Trading at a low double-digit forward P/E and yielding over 5% in dividends, NYSE Euronext shares are a value play.

PM. Offering a dividend yield of almost 5%, shares of Philip Morris International are an appealing selection for income investors. Philip Morris sells cigarettes under leading brands like *Marlboro* and *Virginia Slims* outside the U. S. Demand for cigarettes overseas is not dropping off as in the U. S. and emerging markets present substantial opportunities for growth. Philip Morris is executing well, generating lot of cash. During the third quarter, the company earned 93 cents a share, beating analysts' forecast by 2 cents a share. The company upped its full-year EPS forecast to the \$3.20 to \$3.25 range and hiked its quarterly dividend by 7.4%.

Disclosure

AlphaProfit Sector Investors' Newsletter is for information purposes only. Nothing herein should be construed as an offer to buy or sell securities or to give individual advice on investing. The newsletter does not have regard to the specific investment objectives, financial situation, and particular needs of any specific person who may receive this report. Before buying or selling any mutual fund, exchange-traded fund, security, or investment, read the prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.

Owners and employees of AlphaProfit Investments, LLC do invest in Fidelity mutual funds to track the model portfolios mentioned in the newsletter. Owners and employees of AlphaProfit Investments, LLC may also for their own accounts buy, sell or hold long or short positions in mutual funds, exchange-traded funds, common stocks or other securities of companies mentioned in the newsletter.

Investments in mutual funds and exchange-traded funds mentioned herein carry an inherent element of risk, including the potential for loss of principal. Past performance is no guarantee of future results.

The model portfolios presented in this newsletter are the products of AlphaProfit Investments, LLC. AlphaProfit applies the proprietary ValuM™ Investment Process to evaluate sectors and industries based on their valuation, momentum and news quality for inclusion in the model portfolios. We calculate total pre-tax returns based on price changes, assuming reinvestment of all distributions in the funds in which they were paid.

continued on page 6

Portfolio Composition

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

AlphaProfit Focus™ Model Portfolio

Fidelity Fund Holding	December 30, 2009		January 31, 2010	
(Ticker Symbol)	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Automotive (FSAVX)	\$390,809	34.90%	\$380,505	35.54%
Real Estate (FRESX)	\$505,124	45.11%	\$474,055	44.27%
Spartan Total Mkt (FSTMX)	\$223,771	19.98%	\$216,187	20.19%
Total (rounded to)	\$1,119,704	100.00%	\$1,070,747	100.00%

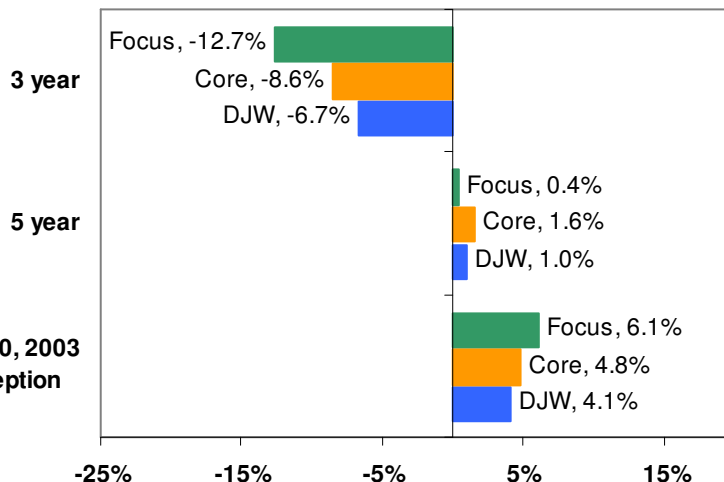
AlphaProfit Core™ Model Portfolio

Fidelity Fund Holding	December 30, 2009		January 31, 2010	
(Ticker Symbol)	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Automotive (FSAVX)	\$59,572	10.47%	\$58,001	10.60%
Brokerage (FSLBX)	\$50,264	8.83%	\$48,865	8.93%
Cons Discretion (FSCPX)	\$49,968	8.78%	\$48,692	8.90%
Multimedia (FBMPX)	\$49,977	8.78%	\$47,576	8.69%
Real Estate (FRESX)	\$126,826	22.28%	\$119,025	21.75%
Retailing (FSRPX)	\$49,840	8.76%	\$48,690	8.90%
Spartan Total Mkt (FSTMX)	\$182,702	32.10%	\$176,510	32.25%
Total (rounded to)	\$569,149	100.00%	\$547,359	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.



	Jan 2010	Qtr-To-Date	Year-To-Date	1 Year
Focus	-4.4%	-4.4%	-4.4%	21.9%
Core	-3.8%	-3.8%	-3.8%	31.2%
DJW 5000	-3.4%	-3.4%	-3.4%	36.1%

trols had no trouble racing past analysts' EPS forecasts.

Toyota's recall of popular car models due to unintended acceleration has become headline news. The

recalled models like *Camry*, *Corolla*, and *Avalon* account for 50% of the company's U. S. deliveries. Nearly 9 million vehicles worldwide may be recalled. While this recall is a negative for Toyota and its retail-

ers like Group 1 Automotive, automakers like Ford stand to benefit.

In other industry developments, electric cars stole the limelight at the North American Auto Show even though their value proposition needs to become more compelling

Return as of Jan. 31, 2010

Industry	Auto
Recommended On	Sep. 30, 2009
Fidelity Fund	8.1%
Auto Basket	8.1%

to encourage mass adoption. Ford's sale of its Volvo unit to China's Zhejiang Geely is moving forward targeting completion in the first quarter.

The demand for autos worldwide has improved after slumping during the recession. Led by strong growth in nations like China, Brazil, and India and a rebound in the large North American market, global auto unit sales are expected to grow 2% in 2010. Automakers and auto part makers are positioning themselves to benefit from this growth. Seatbelt maker, Autoliv for example is forecasting a 15% to 20% increase in full-year sales.

As noted in the Indicator Update published on February 1, we locked gains in Magna International and replaced it with Autoliv in AlphaProfit's auto basket. Fidelity Select Automotive (FSAVX) continues to remain the preferred mutual fund for playing the auto thesis.

Capital Markets

Preferred capital markets investments put up a mixed performance. The Fidelity Select fund outperformed the DJW 5000 benchmark while the iShares ETF lagged. Earnings reports in the capital markets arena were mixed. Firms like Goldman Sachs and Northern Trust beat analysts' EPS forecast by wide margins while a few like TD Ameritrade and Bank of America trailed.

President Obama's proposal for splitting up large banks, imposing Troubled Asset Relief Program

ETF & Mutual Fund Facts

Industry	Automotive		Capital Markets	
MF/ETF	Fidelity Sel. Automotive	Auto Basket	Fidelity Sel. Brokerage	iShares DJ U.S. Broker
Ticker	FSAVX	None	FSLBX	IAI
Manager/Index	M. Weaver	AlphaProfit	B. Hesse	DJ U.S. Sel. Invest. Svcs.
Category	Mid Cap Value	Mid Cap Blend	Mid Cap Blend	Mid Cap Blend
Risk Rating	Above Average	Above Average	Average	Average
Top 10 Holdings	Johnson Controls BorgWarner Autoliv Tenneco TRW Automotive Sonic Automotive Asbury Automotive Goodyear Tire & Rubber Federal Moghul Gentex	Autoliv, 24.0% AutoNation, 27.6% Johnson Controls, 30.4% Penske Auto, 18.0%	State Street BNY Mellon Morgan Stanley Citigroup Moody's Charles Schwab EFG International Barclays Bank Jefferies MF Global	Goldman Sachs Morgan Stanley CME Group Charles Schwab Intercontinental Exch Ameriprise Financial NYSE Euronext Legg Mason TD Ameritrade E*Trade Financial
% Portfolio	69.0%	100.0%	44.7%	50.5%
% Foreign	< 5.0%	0.0%	23.1%	0.0%
Date	As of Dec. 31, 2009	As of Jan. 31, 2010	As of Dec. 31, 2009	As of Dec. 31, 2009
Industry/Index	Consumer Discretionary		Media	
MF/ETF	Fidelity Sel. Cons. Disc.	Vanguard Cons. Disc.	Fidelity Sel. Multimedia	PowerShares Dyn. Media
Ticker	FSCPX	VCR	FBMPX	PBS
Manager/Index	J. Harris	MSCI U.S. Cons. Disc.	K. Salen	Dynamic Media Intellidex
Category	Large Cap Growth	Large Cap Blend	Large Cap Blend	Mid Cap Blend
Risk Rating	Below Average	Below Average	Average	Average
Top 10 Holdings	Lowe's Target Walt Disney McDonald's Amazon.com Staples Advance Auto Parts Ford Comcast Class A Wyndham Worldwide	McDonald's Walt Disney Amazon.com Home Depot Comcast Class A Time Warner Target Lowe's DIRECTV News Corp Class A	Walt Disney DIRECTV Comcast Class A Time Warner News Corp Class A Viacom Time Warner Cable Cablevision Systems Omnicom McGraw-Hill	News Corp Class A Comcast Class A CBS Class B Walt Disney DIRECTV Time Warner Viacom Gannett DreamWorks Animation Valassis Comm
% Portfolio	37.6%	34.6%	54.5%	44.3%
% Foreign	0.0%	0.0%	7.3%	0.0%
Date	As of Dec. 31, 2009	As of Nov. 30, 2009	As of Dec. 31, 2009	As of Dec. 31, 2009
Industry/Index	Real Estate		Retailing	
MF/ETF	Fidelity Real Estate Inv.	Vanguard REIT	Fidelity Select Retailing	SPDR S&P Retail
Ticker	FRESX	VNQ	FSRPX	XRT
Manager/Index	S. Buller	MSCI U.S. REIT	E. Hornbuckle	S&P Retail Sel. Industry
Category	Mid Cap Value	Mid Cap Value	Mid Cap Growth	Mid Cap Blend
Risk Rating	Above Average	Above Average	Below Average	Below Average
Top 10 Holdings	Simon Property ProLogis Ventas Vornado Realty Host Hotels & Resorts HCP Equity Residential Boston Properties Apartment Inv & Mgmt Macerich	Simon Property Vornado Realty Public Storage Boston Properties HCP Equity Residential Ventas Host Hotels & Resorts ProLogis AvalonBay Communities	Staples Target Amazon.com Lowe's Home Depot OfficeMax TJX Best Buy RadioShack Kohl's	CarMax Foot Locker Children's Place HSN Sears Holdings Jo-Ann Stores Dress Barn Dicks Sporting Goods Aeropostale Tractor Supply
% Portfolio	52.5%	44.1%	64.1%	17.6%
% Foreign	0.0%	0.0%	0.0%	0.0%
Date	As of Dec. 31, 2009	As of Nov. 30, 2009	As of Dec. 31, 2009	As of Dec. 31, 2009

ETF & Mutual Fund Facts (cont'd from p.5)		
Industry	DJ Wilshire Total Market	
MF/ETF	Fidelity Spar. Tot. Mkt.	Vanguard Tot Stk Mkt
Ticker	FSTMX	VTI
Manager/Index	Geode Capital Mgmt	MSCI US Broad Market
Category	Large Cap Blend	Large Cap Blend
Risk Rating	Below Average	Below Average
Top 10 Holdings	ExxonMobil Microsoft Apple Johnson & Johnson Procter & Gamble Intl Business Machines AT&T JPMorgan Chase General Electric Chevron	ExxonMobil Microsoft Apple Johnson & Johnson Procter & Gamble Intl Business Machines AT & T JPMorgan Chase General Electric Chevron
% Portfolio	15.9%	15.6%
% Foreign	0.0%	0.0%
Date	As of Dec. 31, 2009	As of Dec. 31, 2009

(TARP)-related fees, and prohibiting banks from running proprietary trading operations or investing in hedge funds can hinder the profitability of capital markets firms. It

Return as of Jan. 31, 2010	
Industry	Capital Markets
Recommended On	Jun. 30, 2009
Fidelity Fund	15.1%
ETF	2.6%

however remains to be seen how many of these proposals actually are signed into law.

Schwab has turned the heat on online stockbrokers cutting commission rates and launching new ETFs. Schwab customers can trade the in-house ETFs free of commissions. Rising intensity in competition may tip troubled firms like E*Trade to be bought by rivals like Schwab or TD Ameritrade.

Asset management firms like Franklin Resources and T. Rowe Price and custody banks like BNY Mellon and State Street stand to benefit from improving confidence in financial markets. The fees garnered by such firms are a function of the magnitude of assets managed or securities volumes serviced. As such, their fortunes can improve when net inflow of money and market value of assets rise, and trading activity increases. BNY Mellon is reported to be in talks to acquire PNC Financial's global investment servicing unit while State Street is working to grow its Asian business.

Consumer Discretionary

Preferred investments in the consumer discretionary sector outperformed the DJW 5000 benchmark. Many companies in this sector re-

ported strong earnings. Amazon, Coach, and Starbucks exceeded analysts' EPS forecast by wide margins. McDonald's reported a 21% jump in EPS from the year-ago period on a 7.3% rise in revenue.

The relentless rise in the unemployment rate has pressured revenues at many companies in the consumer discretionary sector. Some improvement could be in the offing here. The unemploy-

Return as of Jan. 31, 2010	
Industry	Cons Discr
Recommended On	Dec. 31, 2008
Fidelity Fund	34.6%
ETF	37.0%

ment rate is showing signs of peaking. Additionally, President Obama has suggested creation of a \$30 billion fund to help promote job growth.

Meanwhile, online retail continues to grow. Forrester Research is forecasting online sales to grow 13% this year and 10% next year. Amazon's sales in new categories such as patio furniture and downloadable movies are growing rapidly helping boost profits.

Elsewhere, Coach is stepping up its plans for increasing store count in China where it is seeing higher same-stores sales growth than in the U. S. or Japan. Home Depot is seeking to improve service by providing its employees with portable devices that allows them to check out customers anywhere in the store.

Retailers are looking to prop up

Disclosure continued from page 3

The information contained in this newsletter is obtained from various sources believed to be accurate and is provided without warranties of any kind. Opinions expressed herein reflect the thought of AlphaProfit Investments, LLC and are subject to change without notice.

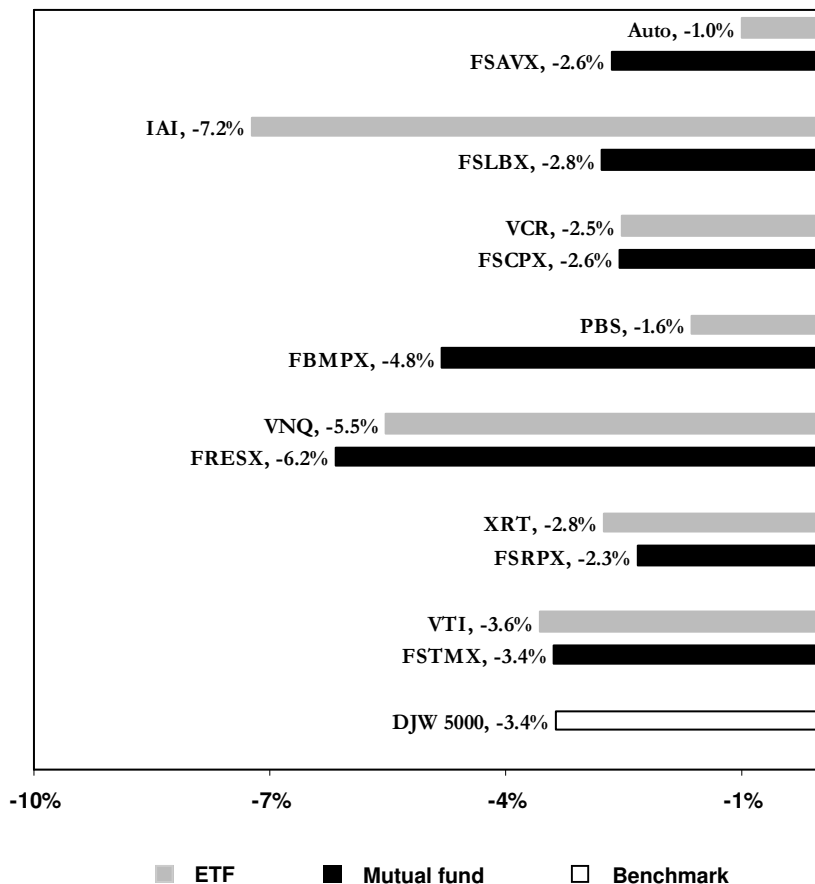
AlphaProfit Investments, LLC is not responsible for any errors or omissions herein. AlphaProfit Investments, LLC disclaims any liability for any direct or incidental loss incurred by applying any of the information in this publication.

The third-party trademarks or service marks appearing within this newsletter are the property of their respective owners. All other trademarks appearing herein are the property of AlphaProfit Investments, LLC.

Please review our Terms & Conditions of Use and Subscriber Agreement which is available on our website at www.alphaprofit.com, which governs your relationship with AlphaProfit Investments, LLC, including, but not by way of limitation, use of this newsletter.

Preferred ETF & Mutual Funds Returns

January 2010



EPS growth via share buybacks. Joining several retailers like Wal-Mart, Sears, and Gap who have announced sizeable share buybacks in the past year, Target has recently announced a \$10 billion share buyback program.

DJW Total Market

Preferred investments tracking the DJW 5000 performed in line with the benchmark.

We include investments that track the broad DJW 5000 index in both model portfolios. This provides exposure to sectors like consumer

staples, energy, health care, industrials, materials, technology,

Return as of Jan. 31, 2010	
Industry	DJW 5000
Recommended On	Sep. 30, 2009
Fidelity Fund	2.2%
ETF	2.1%

and utilities otherwise not included in the model portfolios.

The resulting balance helps to not only cut short-term volatility and but also mitigate risks from factors such as declining U. S. dollar, rising energy prices, or rising interest rates.

Featured Quote

“Basically, price fluctuations have only one significant meaning for the true investor. They provide him with an opportunity to buy wisely when prices fall sharply and to sell wisely when they advance a great deal.”

Benjamin Graham

Media

Preferred media investments performed mixed. Benefiting from gains in shares of Valassis Communications and Gannett, the PowerShares ETF outperformed the DJW 5000 while the Fidelity fund was likely dragged lower by losses in Omnicom.

Media companies are performing well. Print publishers McClatchy and McGraw-Hill pleasantly surprised investors reporting EPS that

Return as of Jan. 31, 2010	
Industry	Media
Recommended On	Dec. 31, 2009
Fidelity Fund	-4.8%
ETF	-1.6%

exceeded analysts' estimate. Time Warner and Yahoo! reversed losses from the year-ago period to report profits. Google too exceeded analysts' EPS forecast by good measure.

Ad revenues of media companies are poised to increase. As commented by Viacom CEO Philippe Dauman, the advertising market is improving. Online ad spend is expected to grow over 5% in 2010 after shrinking in 2009.

Comcast's transaction to take a 51% stake in NBC Universal contin-



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.

